The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Sale of the C.E.R. and Possible Effect on Far Eastern Peace

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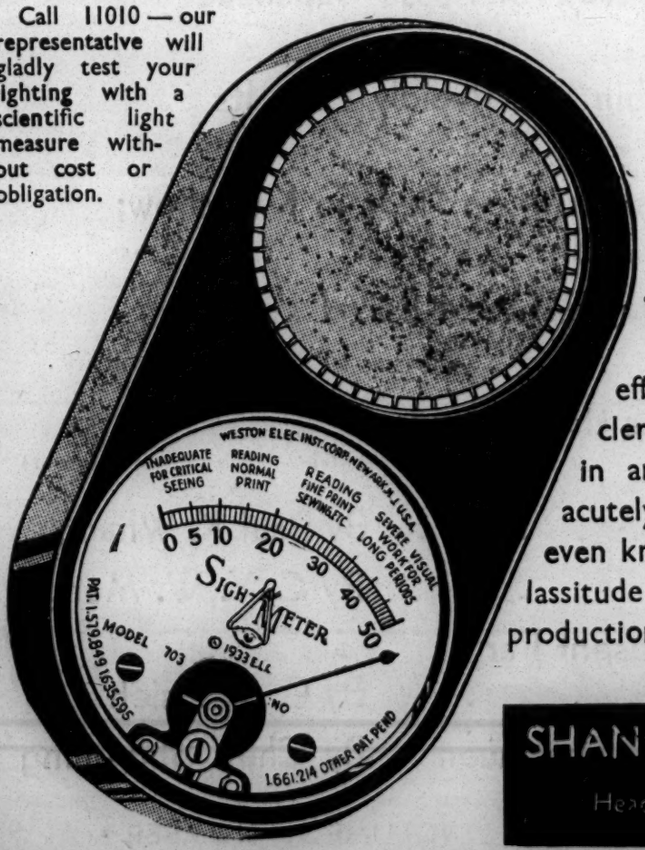
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WHO ARE MOST INFLUENTIAL MEN IN U. S. A.,—OR CHINA?

A GROUP of Americans and Chinese in Shanghai, some of the Americans recently arrived from the United States, and including missionaries, businessmen and some journalists, were discussing American—Far Eastern politics. Someone inquired, "Who are the five most influential men in the United States, aside from President Roosevelt?" Three men at the party submitted lists to the following effect:

Group No. 1—Henry A. Wallace, Secretary of Agriculture; Walter Lippman, political editor, New York *Herald-Tribune*; Father Charles E. Coughlin, "radio" priest; John Dewey, professor of philosophy, Columbia University; Nicholas Murray Butler, president, Columbia University.

Group No. 2—Charles E. Hughes, Chief Justice Supreme Court; Henry Ford, motorcar manufacturer; Huey Long, Senator from Louisiana; William E. Borah, Senator from Idaho; Nicholas Murray Butler, Columbia University.

Group No. 3—William R. Hearst, publisher; Henry Ford, motorcar manufacturer; John D. Rockefeller, Jr., Standard Oil; Huey Long, Louisiana Senator; Father Charles E. Coughlin, radio broadcasting priest.

Four names common to two of the lists were Henry Ford, Huey Long, Nicholas Murray Butler and Fr. Coughlin. No one name appeared on all of the lists. A composite of the three lists would read as follows: Ford, Long, Coughlin, Butler, Hearst, Hughes, Borah, Rockefeller, Wallace, Lippman and Dewey.

Another name which received considerable attention, was that Dr. F. E. Townsend, Los Angeles physician, who proposed that all persons in the country who are more than 60-year old should receive a monthly pension of $200 from the U.S. Treasury.

As to a similar list of most influential Chinese, aside from Gen. Chiang Kai-shek, the following were suggested: Wang Ching-wei, Hu Han-min, T. V. Soong, H. H. Kung, Hu Shih, Chang Kia-ngau, W. W. Yen, Wang Chung-wei, C. T. Wang, James Y. C. Yen, Li Tsung-jen and Bei Chung-chi. Further suggestions included Chen Chi-tang, Han Fu-chu, Ho Chien, Sun Fo and Chen Kung-po. Perhaps some of the readers of *The Review* may have other suggestions to be included in a list of the "Ten Most Influential Chinese." Please send them in!

PHILADELPHIA

Will the Sale of the C.E.R. Pave Way for Russo-Japanese Friendship?

AWAY back in the peaceful days before 1931 there were many people who argued that Japan should be "permitted" to have Manchuria because Japan always had wanted the territory and there probably never would be any peace in Asia until Japan got what she wanted. Well, Japan took Manchuria and for nearly four years has been consolidating her military control over these Chinese provinces, but still there is no peace. Everybody is crying about Japanese aggression, or threatened aggression, military or economic, and those persons who thought Manchuria would satisfy the Japanese appetite apparently were mistaken; at least we haven't heard any further arguments along that line for a considerable period. Also, we haven't heard any further argument like that of the manager of a foreign oil concern in Mukden who declared, shortly following the Japanese occupation that Japan would develop the territory more rapidly than China might be expected to do it and that there would be increased business, particularly in gasoline, because Japan would speed up road construction, etc. Well, the Japanese have built hundreds of miles of new roads, military highways radiating everywhere from the strategic centers and there are dozens of motorcars and trucks today where there were only a few or none a few years ago. But it hasn't helped the foreign oil business, rather the reverse. The Japanese militarists had no idea of handing this plum to the foreigners; they created their own oil monopoly and put the foreign companies on a quota, the Japanese oil companies receiving the lion's share.

Now we come to the Russian angle of the Manchurian situation. Although the Soviets had experienced considerable trouble with Japan, prior to 1931, it was as nothing compared to what followed. The Soviet-owned Chinese Eastern Railway, with its 6,000 odd Russian communist employes, running through territory controlled by the Japanese army, was a veritable powder-magazine of complications. On several occasions it appeared that war was inevitable because the Japanese warlords originally had no intention of paying for the railway which they already had within their grasp. But the Soviet action in fortifying its border and Japan's failure to obtain a European ally, caused the Japanese to finally decide to buy the road. As for the Russians, they were very happy to obtain Yen 170,000,000 for something which they originally thought they would have to give up for nothing. Therefore, everybody was happy, that is, everybody excepting China whose interests have been entirely ingored by both the Russians and the Japanese.

But right in the midst of the Russo-Japanese felicitations over the successful conclusion of the C. E. R. complications, somebody in the Japanese Diet stirred up another hornets' nest by inquiring of Foreign Minister Koki Hirota whether Japan had given up hope of obtaining control of the northern half of Saghalien island. Mr. Hirota quickly replied that Japan had not given up hope, in fact intended to raise the issue of Japan's purchase of this valuable bit of Soviet territory immediately. Mr. Hirota also recalled that when the Soviets sent their first emissary to the Far East in 1923, that the said emissary, Adolf Abramvitch Joffe, had informed the Japanese that they had no objection to the sale. But nothing was ever done about it, excepting, of course, Russia's argeement to sell a considerable portion of the oil output to the Imperial Japanese navy. In the meantime the Russians are working tooth and nail to develop their own Siberian territory and need the oil themselves. New refineries have been constructed in the Habarovsk area and a fleet of tankers transport the crude oil, that is the excess above the quantity sold to the Japanese, up the Amur to the new refineries where it goes into Soviet storage tanks and is used to fuel red army trucks and airplanes—and also the red navy's speedy torpedo boats on the Amur and Ussuri and the rapidly growing fleet of Soviet submarines and light-destroyers in Vladivostok harbor. Recently, it was reported that the Russians had ceased to sell lumber to the Japanese because they required the entire output of their North Saghalien sawmills themselves. The Russians also, in all probability, would like to cancel their sales of oil to the Japanese for similar reasons, but do not dare do so yet. But the fact that the Japanese have raised the North Saghalien oil issue indicates quite clearly that Russo-Japanese complications have not all been settled. In the popular mind oil constitutes a chief source of international complications because it is vital as a fuel for navies and airplanes and when a nation puts up its flag over an oil-gusher the flag usually stays up, otherwise there may be war. Oil exists in pools deep down under the earth's surface. Whoever drills the first well and taps the pool, usually succeeds in getting most of the oil. This apparently is what is happening on Saghalien island, for while the Russians have succeeded in obtaining considerable oil, the Japanese have failed almost completely to obtain any of the precious fluid on the end of the island which they control. The Japanese need oil so badly that they long ago would have taken the Netherlands East Indian islands, had it not been for the British fleet which stands guard over the Dutch Shell and Asiatic Petroleum company's wells in that area. Therefore it may be stated that Russo-Japanese relations, instead of being eased by the settlement of the C. E. R. issue, have merely been advanced to another and even more serious issue, the North Saghalien oil question!

A somewhat similar view of the future of Russo-Japanese relations was taken by Toshio Takahashi, head of the *Japan-Soviet News Agency* in the March number of the magazine *Ishin.*

After listing the four outstanding issues between the two countries, (1) Soviet-Manchukuo borders; (2) Soviet military threat in the Far East; (3) Soviet-Japanese fishery complications extending from the Maritime province to Bering sea; (4) North Saghalien oil problem, Mr. Takahashi stated that while the solution of the C. E. R. issue was a good stroke of business, he did not concur in the feeling that other issues could be settled so easily. He contended that the most serious problem was involved in the fundamental and irreconcilable differences which exist in the governments of the two countries. Soviet hostility toward Japan was born of these differences. Japan and Manchukuo stand positively against the Soviet communist party and its conception of government and while this may not necessarily lead to war, it means that the two nations exist in two different worlds or contending camps. For these reasons it was necessary for Japan, a capitalistic nation, to guard herself against Russia even though the Soviets may desire, for the time being, to shake hands. Mr. Takahashi then added significantly, "While all capitalistic nations maintain a position somewhat similar to that of Japan, the two nations which stand out most sharply against the Soviets are Japan and Germany, otherwise, Japan and Manchukuo in Asia and Germany in western Europe." The Soviet Union, in his opinion has completely failed to understand Japan's position and "rational" policy in the Far East and has regarded Japan as the incarnation of imperialistic ambition. The Soviets think that Japan, after consolidating her position in Manchukuo, is planning to encroach on Siberian territory and as a result of this "misconception" Russia has made great military preparation. Borders between Siberia and Manchuria which previously were practically undefended, "are now armed to the teeth." Before the Japanese occupation of Manchuria, Soviet national defense in the Far East did not exceed four divisions of infantry and two brigades of cavalry. But today the Russians have a fighting force on the border exceeding 200,000 men, including 10 divisions of infantry, two divisions of cavalry and several divisions of special troops. They are provided with excellent fighting material, modern weapons of war and are reinforced with permanent border fortresses. Finally, the Soviet military power is reinforced with more than 600 military airplanes and some 20 submarines in Vladivostok harbor.

This military equipment, in Mr. Takahashi's opinion, is entirely too large for defensive purposes. Even though one might grant that the Soviets have no ulterior motives, it is obvious that defensive armament can be quickly converted into offensive weapons. Since these Russian measures were not built up because of the complications over the C. E. R. it is obvious that the solution of the railway problem will not simultaneously remove the other menace. It is therefore necessary for Japan to observe the realities of the situation, particularly the border problems which have been aggravated because of the militarization of the Russian side of the line. Finally, Mr. Takahashi declared that the supply of large quantities of Japanese goods to Russia as part of the payment for the railway, "would only amount to to the 'flicker of a candle' in comparison to the tremendous progress which Russia has made in the development of heavy industries. The headway which Russia has made in her internal rehabilitation does not permit Japan to entertain any optimism regarding her future trade with the Soviet Union. It is futile, he declared, for the Japanese public to place too much dependence on the negotiations over non-essential elements, such as has been the situation in the past.

Another recent writer on the subject of Russo-Japanese relations, Katsuje Fuse, member of the editorial staff of the *Osaka Mainichi*, declared in the course of a recent article in the magazine *Diamond* that one way of easing the complications between the two countries would be to create a "buffer" state in Siberia, somewhat along the line of the Far Eastern Republic, which was dissolved and amalgamated with the Soviet Union following the evacuation of the Japanese troops from Siberia after the Washington arms conference in 1922. Mr. Fuse claimed that the idea of the Far Eastern Republic originated with Lenin and was intended to prevent war with Japan; hence Mr. Fuse now inquires, "Has Lenin's policy of establishing a buffer state evaporated with the dissolution of the Far Eastern Republic . . . would that spirit of Lenin be continued in the peaceful policy of Stalin?" In conclusion, Mr. Ruse said that Japan frequently is called upon to choose between an alliance with Russia and an alliance with Britain . . . "it has been proverbial that whenever a rumor of a revival of an Anglo-Japanese alliance is broadcast, another rumor of a Soviet-Japanese alliance or coalition also is on foot." In this connection it also is of interest to record that a well known admiral, member of the Tokyo General Staff, suggested last fall that Japan would be prepared to extend financial assistance to Russia in the event the Soviets would be willing to halt their industrial and military program in the Far East and transfer their activities to the south where they would come in contact with British interests in Persia and India.

A friend in New York who writes books and magazine articles on the Far East and who has just published a new book dealing with American policy in the Pacific, has written *The Review* a letter in which he declared, "I am convinced that the military crowd in Japan is going straight through with its policy. I am convinced that America must face the fact and make a decision one way or the other. As it is, with drifting, taking strong decisions without thinking of consequences, we are just making for war. We must make up our minds either to fight or take the consequences of Japanese mastery of Asia. I think that if the Russo--Japanese smash can be held off for a little while, as I gather the Russians want to, it will be America that gets involved." This statement was followed by some intimate comment on Roosevelt's reactions with respect to the Far East and the suggestion that the Administration's fear of an outbreak in Europe may cause Roosevelt to act very cautiously in the Far East. The United

States, in all probability, will keep itself free from commitments on the Far East, "but there will be no yielding on the navy, not while Roosevelt is President, however, a lot depends on whether we work ourselves out of the ecnomic depression. . . . don't forget that a foreign adventure may be a good way out. . . "

But while the United States government is standing pat on the naval issue, and at the same time side-stepping positive action on political issues, a similar situation apparently does not prevail among private American citizens, a considerable number of whom are now in the Far East making their own independent investigations and declarations on all phases of the situation. Cameron Forbes, former Ambassador to Tokyo, who is now on the way to the Far East at the head of the American Economic mission, declared in an address at San Francisco prior to the sailing of the party that "only poor statesmanship would cause a war between Japan and the United States . . . . the century of friendly relations between the two countries must continue." Dr. John R. Mott, head of the International Committee of the Y. M. C. A., who is also in Japan at the present time, declared that the relations of Japan and America must be kept on the firm foundation upon which they had existed since the opening of the Empire to foreign intercourse. He said that the people who represent real America and those who represent real Japan are desirous of friendly relations, following which statement Dr. Mott cited 10 logical reasons for the permanence of Japanese-American friendship and cooperation:

"1. Basically our economic interests will continue to be best furthered by a policy of peace, goodwill, and co-operation. Our business interests and trade activities are in the main supplementary. They rest not on competition but interdependence.

"2. The great majority of the people who make up the real body and life of our nations are not at enmity. Of this I am sure. They desire nothing but friendly relations.

"3. In the cultural realm, and in that of present-day intellectual co-operation, our friendship and collaboration repose on solid foundations. There is, for example, in America, a markedly growing interest in Japanese art.

"4. There are 20 influential voices and pens today speaking and writing for right international relations, where there was one in the years I began my life of international travel and service.

"5. The two nations are coming to understand each other better. Without doubt there are two Americas and two Japans. The real America and the real Japan are peace-making and their influence is destined to become greater and greater.

"6. As science more and more annihilates space, all frontiers tend to disappear. Thus personal contacts between our peoples continue greatly to multiply, and the network of personal friendship being woven is strengthening from year to year. All that tends to destroy the beauty of God's great family of nations should also disappear.

"7. The fact that so many discerning and unselfish leaders of our countries are keenly aware of the dangers and perils which beset present-day international relations in general, and our nations in particular, and are determined to avert or overcome them, is in itself most reassuring.

"8. The fact that the world in recent years has been so busy in building up the structure of larger and more profound international understanding and co-operation, and the further fact of the tremendous growth of peace sentiment, agencies, and programs within the last few years, is unmistakably making for greater amity and for better conceived and more fruitful efforts to eliminate causes of distrust and ill-will.

"9. It is of the greatest significance that the religious forces of our two countries are positively and aggressively doing so much to foster understanding, fellowship, and united action.

"10. It would be difficult to exaggerate the steadying and anchoring influence of the first treaty between Japan and the United States. The language of that historic instrument has never been surpassed as the expression of the finer feelings and deeper convictions of our people, namely, to maintain 'perfect, permanent, and universal peace, and a sincere and cordial amity between the United States of America on the one part, and the Empire of Japan on the other part, and between their people respectively, without exception of persons or places.' This constitutes not only a pledge but the greatest and most potent single tradition in the relations of our two countries for three-quarters of a century. We will be most wise to continue to regard it as the touchstone in the determination of all our future attitudes, actions, and relationships."

While these statements by Cameron Forbes and Dr. Mott are interesting, neither touch the fundamental cause of complications between Japan and the United States, the violation of the Nine-Power treaty and scrapping of the Washington naval pact. The so-called Christian forces in the United States, have steadily opposed the development of the U.S. fleet and the strengthening of American army on the ground that such action is likely to precipitate a war with Japan. But recent developments have rather led to the feeling that the forces opposed to the strengthening of American armament in the Pacific are beginning to weaken, due to the growing belief that the so-called Christian forces opposed to armament, are unconsciously playing into the hands of the Japanese war machine. It is no secret that many outstanding American missionaries in the Far East are more and more coming to the belief that the only thing that will stop Japan will be a determined show of force by a stronger Power or group of Powers. The Japanese realization of the facts of this development has largely been responsible for the recent Japanese drive to force China into some form of "cooperative" agreement, the Japanese idea being to face America and the other Powers with a *fait accompli.* This explains the recent trips up and down the China coast of Gen. Doihara of the Kwantung army who tried to induce China's political and military leaders to "swallow" Manchukuo and join forces with Japan against the West. The outcome of this latest form of Japanese propaganda and intrigue is not yet apparent, but even though China should, by some stretch of the imagination, agree to accept Manchukuo and subordinate herself in a similar puppet position under the protection of the Imperial Japanese Empire, it would not change the present course of events in the United States. On the contrary, it might have the effect of accelerating America's armament propram. Regardless of what may happen in the relations of China and Japan the Manchukuo issue still remains the chief stumbling-block to peace in the Orient and that statement applies to Russo-Japanese relations as well as Japanese-American relations.

World's Richest Girl, Heir of Duke Tobacco Fortune, May Visit China on Honeymoon Tour

DORIS Duke, who at the time of her father's death a few years ago was said to be worth G.$53,000.000, but whose fortune, due to the depression, has been reduced to U.S.$29,933,-793, is on her way to China. Miss Duke was married on Feb. 13 at the old Duke residencee on Fifth avenue, New York, to James H. R. Cromwell, stepson of E. T. Stotesbury, financier of Philadelphia. Shortly following the ceremony the couple embarked on the Italian liner *Conte di Savoia* on a world tour which will take them first to Egypt, following which, according to recent report from the United States, the couple will come to China for an extended tour of this country. Mr. Cromwell, who is 16 years older than his bride, who is 22, was previously married to Delphine Dodge, daughter of the late Horace E. Dodge of the Dodge Motor Car company. They obtained a divorce at Reno in 1928, following which she was married to Raymond T. Baker. There is a 12-year-old daughter, now in the custody of the mother.

When the Dodge Brothers Motor company was sold, Mr. Cromwell became vice-president of the Peerless Motor company of Cleveland, but later gave up active business and became a student of economics. He wrote several books and pamphlets, one of which, "The Lion's Share" attacked the Bank of England as hostile to United States economic interest. Another pamphlet, widely circulated, "The Voice of Young America," was a plea to young Americans to unite for the reform of society within the framework of capitalism. He is now a director of H. R. Doughty and Associates, wellknown New York advertising agency.

The present Mrs. Cromwell was the sole heir of the late James Buchanan Duke, tobacco manufacturer, president of the American Tobacco Company, and later, organizer of the British-American Tobacco Company which previously had charge of all foreign sales of the American tobacco trust. Later, however, British interests obtained complete control of the B.A.T. Aside from his bequest to his daughter, which made her the wealthiest girl in the world, Duke also left large sums to Duke University which has since become one of the best known educational institutions in the United States. In view of the fact that Mr. Duke's fortune was partially acquired from the China cigarette trade it has been suggested that his daughter may be interested in philanthropic enterprises in this country, hence there is considerable interest in her forthcoming visit. Mr. Cromwell previously visited China about 15 years ago, and for a time was interested in an industrial enterprise in Shanghai.

CIGARETTE "PRINCESS" TO VISIT CHINA

James Henry Roberts Cromwell, New York advertising man, and his bride, Doris Duke, tobacco heiress, as they sailed from New York recently on a honeymoon voyage to Egypt and the Far East.

Japan Revives Idea of Annexing North Saghalien

Japanese hopes that Soviet Russia will cede North Saghalien to Japan have not been abandoned, Koki Hirota, foreign minister, declared in the House of Representatives Mar. 24. The matter was formally taken up between Soviet Russia and Japan in 1923, when Adolf Joffe and Toshihiko Kawakami, representing the two nations respectively, met in conference, through the good offices of the late Count Shimpei Goto, Mr. Hirota recalled. "Although the Soviet side had no objection to the sale, no satisfactory agreement was reached on the price," he continued. "It is uncertain whether or not Soviet Russia still intends to sell. However, I sincerely hope that the time will come when it will be realized. As to the other Japanese activities there, including concessions for oil prospecting and lumber extraction, I have taken diplomatic measures so that nothing will interfere with them," he said. Stating that the formation of a single large fishing concern was necessary, "adequately to protect national interests," Mr. Hirota expressed the opinion that the establishment of a huge firm will be "convenient and favorable to Japan in conducting the proposed revision of the existing Soviet-Japanese fisheries treaty."

C.E.R. Agreement Signed---Harbin Will Rapidly Lose Its Russian Characteristics

THE signing of the agreement in Tokyo last week for the transfer of the Chinese Eastern Railway from Soviet Russian control to Manchurian (really Japanese) control is having immediate economic effects in many directions. The city of Harbin, which was founded by Czarist Russia more than three decades ago, as an adjunct of the Russian railway adventure in Manchuria, is feeling these changes first of all. Harbin is situated at the point where the railway line to the south branches off from the line running east and west. Because it is a railway junction point and also is situated on the Sungari river, it naturally has a certain commercial importance, but the real life blood of the city has been the fact that it was the headquarters of the Chinese Eastern railway. Here lived most of the many thousands of Russian employees of the railway, all drawing good salaries and generally lavish in their expenditures, and supporting many thousands more. From the outset Harbin was nominally an international town, but the Czarist Russians did as they pleased and generally "run" the place even more effectively than the British did Shanghai in former years; principally because they far outnumbered all the other nationalities put together. The United States, alone among the countries of the world, stood out against the occupation of Harbin by the Russians, and refused to assent to the agreement by which the Russians held the town. Unable to make its voice felt in any other way, the United States forbade its citizens to pay any taxes to the Municipality of Harbin, a privilege which the comparatively few Americans in Harbin naturally took complete advantage of. This autocratic control of Harbin naturally received a severe jolt as the result of the world war and the subsequent Kerensky and Bolshevist revolutions in 1917. At that time the venerable General Hovarth was not only the managing director of the Chinese Eastern Railway, but the head of the semi-military police organization which functioned in the Chinese Eastern Railway zone, of which the city of Harbin was a part. When the Soviet revolution occurred, the soldier-police under him revolted, but General Hovarth promptly outwitted his men by calling upon the Chinese authorities to supply military police, and thus he was able to hold control of Harbin for several years. But the Kirin authorities soon tired of this anomalous arrangement, and put an end to the control vested in a foreign general, really having no authority except that which he assumed himself on behalf of a regime (the Russian Czarist government) which no longer existed, by themselves taking over control of Harbin. The whole complexion of this Russian outpost of imperialism in China (now Manchukuo) is in the process of being rapidly changed, as the result of the trasfer of the Railway. More than ten thousand Russians, and probably half as many families, are affected by the transfer. One of the results of the dropping of the Soviet employees will be to cause a considerable accretion to the Russian community in Shanghai, although not so great as previous reports have indicated. The Soviet railway employees generally will return to Russia. But several thousands of Russians, whose living depended primarily on the fact that the Soviets controlled the railway—petty contractors, shopkeepers, teachers, and professional men—will now have to find new avenues of employment, and, as they have in the meantime built up connections of a kind in the Far East, many of them will try their luck in Shanghai and other China ports. However, their prospects are not at all encouraging, as owing to the increasing business depression here, hundreds of White Russians have during recent months applied for vises and are returning to Russia, as they find no avenues of employment here.

White Russians are receiving little comfort from the change in control of the Railway. Although they have for many years supported the Japanese, mostly in order to spite the Soviet regime, only a few of the White Russians are being retained as employees on the railway by the new Japanese masters. Most of these have, as a matter of fact, gone through the formality of becoming Manchukuo citizens, in order to ensure their retention as employees. But it is apparent that the Japanese intend to get rid of all Russian influence in the line, White Russian or any other kind, as quickly is possible.

Harbin is thus added to the list of cities in the Far East where the foreign founders are being ousted by the impact of the awakening East. The first to go were Dairen and Port Arthur, taken from the Russians by the Japanese as the result of the Russo-Japanese War. The next to go was Tsingtao, taken from the Germans by the Japanese at the beginning of the World War. And now comes Harbin, which will be rapidly changed from a city with Russian characteristics, to a city which will be predominantly Japanese and Chinese (or, as the Japanese will have it, "Manchukuoan.")

The Chinese Eastern Railway has for many years had luxurious offices here in Shanghai, and although the local staff has so far not received any instructions, it is probable that the offices will be closed in the near future, as it has just been announced that the South Manchuria Railway has been appointed to manage the former Chinese Eastern railway.

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The formal signing of the agreement for the transfer of the Chinese Eastern Railway (now the North Manchuria Railway) took place at the official residence of Koki Hirota, Foreign Minister, in Tokyo March 23. The ceremony was attended by about 40 high officials of the three Governments.

Japan was represented by Mr. Hirota, Mr. Shigemitsu, Vice-Minister for Foreign Affairs, and Mr. Togo, Director of the Eurasian Affairs Bureau of the Foreign Office. The Soviet delegation was headed by Mr. Yureneff, Soviet Ambassador to Tokyo, K. Kozlovsky, Director of the Bureau of Far Eastern Affairs of the Soviet Commissariat for Foreign Affairs, and Mr. Kuznetsoff, Vice.

Chairman of the Board of Directors of the N.M.R. Manchukuo was represented by Lieut.-General Ting Shih-yuan, Ambassador to Tokyo, Mr. Ohashi, Vice-Minister for Foreign Affairs, and Wu Tse-sheng, Adviser to the Directorate-General of the N.M.R.

The transfer agreement is accompanied by two protocols. These, and two notes embodying Japan's guarantees of Manchukuo's payment of the purchase price, were signed and exchanged by Mr. Hirota and Mr. Yureneff.

In his congratulatory address Mr. Hirota pointed out the importance of the event for the peace in the Far East. Lieut.-Gen. Ting and Mr. Yureneff in reply expressed appreciation of Mr. Hirota's efforts to bring about a settlement of the issue.

The Gist of the Agreement, Protocols and Notes

In an official statement issued by the Foreign Office, the gist of the agreement, protocols and notes providing for the cession of the Soviet rights in the N.M.R. to Manchukuo, (for which the English language was agreed upon by both parties as being official), was given as follows:

1.—The U.S.S.R. cedes to Manchukuo upon the signing of this agreement all rights concerning the N.M.R., its subsidiary enterprises and properties. The land and buildings now occupied by the Soviet Consulate-General and its officials and one school and one hospital, together with their land, shall be leased rent-free and *sine die* to the U.S.S.R.

Properties, such as locomotives and freight cars occupied by the N.M.R., which are claimed by the Government of the U.S.S.R. as belonging to them and not to the railway, and properties existing in the territory of the U.S.S.R. which are claimed by the Government of Manchukuo as belonging to the N.M.R., are regarded as having been mutually renounced by the respective Governments in favor of the other Government and neither Government shall in future raise against the other Government any demand concerning said properties.

The above provisions shall not apply to the properties of the Trans-Baikal Railway now existing at Manchuli and properties of the Ussuri Railway now existing at Suifenho, which are actually occupied respectively by the said two railways and shall remain their property under their management.

2.—*Method of Payment.*—Manchukuo is to pay to the U.S.S.R. within three years after the signing of this agreement the sum of Yen 140,000,000 in Japanese currency. Out of this sum Yen 46,800,000 will be paid in cash, of which sum Yen 23,400,000 is to be paid simultaneously with the signing of the present agreement.

The remaining Yen 93,300,000 is to be settled by direct payments made by the Manchukuo Governments to merchants for goods which the Soviet trade representation purchase from subjects or juridical persons of Japan or Manchukuo.

The payments are to be made in the form of treasury bonds of the Government of Manchukuo issued in favor of the Government of the U.S.S.R. and are to be delivered by the representative of the Government of Manchukuo to the representative of the Government of the U.S.S.R., simultaneously with the signing of the present agreement and shall be paid at the Industrial Bank of Japan, Ltd. In case the exchange rate of the yen in terms of Swiss francs, calculated on the basis of the respective exchange rates of the yen and the Swiss franc in London on the day before the date of payment of the second and subsequent instalments provided for in the present agreement, should be lower or higher by 8 percent or more in comparison with the exchange rate of the yen in terms of the Swiss franc, as calculated on the basis of the respective exchange rates of the yen and the Swiss franc in London on the date of the coming into force of the present agreement, the said instalments shall be increased or reduced as the case may be so that the value in Swiss francs of the instalment shall be the same as it is on the date of the coming into force of the payment agreement. In case the present gold parity of the Swiss franc (1 Swiss franc being equivalent to nine thirty-firsts of one gram of fine gold) should be altered or in case the convertibility of the Swiss franc into gold should be suspended, the following method shall be adopted in place of the method provided for in preceding paragraph. In case the weight of fine gold whose value, when calculated on the basis of the price of gold and the exchange rate of the yen in London on the day before the date of the payment of any of the second and subsequent instalments provided for in the present article, should be less or more by 8 per cent in comparison with the weight of fine gold whose value, when calculated on the basis of the price of gold and exchange rate of the yen in London on the date of the coming into force of the payment, is equal to the said instalment, the amount of the instalment shall be increased or reduced as the case may be so that the value in fine gold of the instalment shall be the same as it is on the date of coming into force of the present agreement.

3. *Disposition of Credits and Liabilities of N.M.R.*—Manchukuo is to be responsible on the basis of table of credits and liabilities of the N.M.R. submitted by the Soviet delegation in March of last year and a supplementary table of credits and liabilities made to show the subsequent changes for credits and liabilities of the N.M.R.

The U.S.S.R. is to be responsible for claims made by shareholders, bondholders and creditors of the Chinese Eastern Railway, which arose before the Russian Revolution of March 9, 1917.

4. *Disposition of Soviet Employees of the N.M.R.*—It is agreed as a general rule that employees of the N.M.R., who are citizens of the U.S.S.R., may be dismissed with a three months' notice and that they are to return to their country. However, persons of Soviet nationality, who served in the central administration of the N.M.R. are to be dismissed automatically immediately after the signing of the agreement, and of these persons the Director-General and four others are to remain in service as advisers to Manchukuo for a month.

The superintendents of local divisions, station masters, chiefs of depots and of accessory enterprises may be dismissed at any time without previous notice.

The dismissed employees are to receive dismissal allowances amounting in total to Yen 30,000,000, a part of which will be paid at once, and the remainder to be spread over a period of two years and paid in four instalments.

It is agreed that the dismissed men and their families are to be transported free of charge as far as the border, together with their personal effects.

5. *Agreement Concluded as to Railway and Telegraphic Connections.*—Within three months of the conclusion of the agreement, a separate agreement looking towards the facilitating of traffic connections between the N.M.R. and the Soviet railway system will be negotiated. Another agreement for telegraphic connection between the telegraphic lines operated by the N.M.R. and those of the Soviet lines is also to be negotiated within three months.

North Manchuria Railway Engages 2,500 Japanese Guards

Two thousand five hundred Japanese police officers will guard the North Manchuria Railway. The men have been selected from the ranks of the Kwantung Leased Territory police. The Hsinking Administration has placed a Japanese official at the head of the Harbin Railway Bureau. He is assisted by a Japanese and Munchukuoan Vice-Directors. The chiefs of the twelve sections under him are all Japanese, with an equal number of Japanese and Manchukuo officials as assistant-chiefs.

Signing of Agreement Is Filmed

Lifting a traditional "no picture" ban, the Japanese Foreign Office allowed the filming and the recording in sound of the signing of the North Manchuria Railway agreement and other documents and the subsequent celebration.

More Trains to Be Run Under Japanese Management

One train, in each direction, will be run daily between Harbin and Manchuli, in the west, and Harbin and Suifenho, in the east, the new management of the North Manchuria (Chinese Eastern) Railway announced in Harbin, March 24. Up to now, trains between these points, traveled only every other day in each direction. Trains between Harbin and Suifenho, however, will be run only in the daytime.

Hirota Considers Soviets Have Recognized Manchukuo

Koki Hirota, Foreign Minister of Japan, expressed the belief in Tokyo Mar. 24 that the Soviets, by concluding the agreement ceding all her rights in the North Manchurian (Chinese Eastern) Railway to Manchukuo, have extended *de facto* recognition to the new Empire. Replying to a question put by Mr. Funada, of the Seiyukai, at a plenary meeting of the Budgetary Committee of the House of Representatives Mar. 23 the Foreign Minister pointed out that the U.S.S.R. had exchanged consuls with Manchukuo since the latter State was founded. "By entering into the North Manchurian Railway transfer agreement the U.S.S.R. government has signed a treaty with the Manchukuo government, and has, in fact, recognized Manchukuo," he declared.

Kozlovsky Enroute to Moscow with Documents

Benedict I. Kozlovsky, Director of the Bureau of Far Eastern Affairs of the Soviet Commissariat for Foreign Affairs, departed from Tokyo March 25 on his return to Moscow via Siberia. He is taking with him the agreement and documents relating to the transfer of the Chinese Eastern Railway from Soviet Russia to Manchukuo. M. Kozlovsky had been in the Japanese capital since June, 1933, taking part in the protracted negotiations over the sale of the railway. Upon his return to Moscow M. Kozlovsky is expected to assume the post of acting Vice-Commissar for Foreign Affairs in the absence of B. S. Stomoniakoff, who is leaving for a European tour shortly after M. Kozlovsky's arrival in Moscow. His assumption of the post, the Japanese believe, will probably facilitate the forthcoming negotiations between Japan and the Soviet Union on problems outstanding between the two countries, especially on the questions concerning the yen-rouble exchange rate.

Arbitration Board Members Appointed

The Japanese, Manchukuo and Russian members of the arbitration committee that will settle any disputes arising over the value of the goods that will be delivered to the Soviet Trade Representation in Japan in part payment for the North Manchuria (Chinese Eastern Railway) were announced in Tokyo Mar. 24. Japan will be represented by Saburo Kurusu, director of the Commercial Affairs Bureau of the Foreign Office; Manchukuo by Naoki Hoshino, director of the general affairs board of the Manchukuo Department of Finance; Russia by Nicolai Rayvid,

councillor of the U.S.S.R. Embassy, and Vladimir Jelezniakoff, First Secretary. In Mr. Hoshino's absence, Hiroshi Ito stationed in Tokyo, will act on his behalf. The commission, when convened, will meet in Tokyo.

Soviets Prepare List of Things They Intend to Buy

Silk, cotton textiles, tea, soya beans, wheat, electrical instruments, copper small vessels and fishing nets are on the list, prepared by the Soviet Trade Representative in Japan, of goods to be obtained in Japan and in Manchukuo in part payment of the purchase price of the North Manchurian Railway. Goods amounting to Yen 93,300,000 in value, representing two-thirds of the total purchase price of Yen 140,000,000, are to be delivered to the Soviets within three years according to the stipulations of the sales agreement.

Shanghai District Court Refuses to Take Up C.E.R. Matter

The petition submitted to the Shanghai District Court by the Liquidation office of the former Russo-Asiatic Bank to stay the transfer of the C.E.R. wharf and property at Pootung of the Chinese Eastern Railway following its sale to Manchukuo by Soviet Russia has been indefinitely shelved, according to reports appearing in Chinese papers Mar. 24. The Shanghai District Court, following a preliminary hearing and investigation on the case, it was stated, has found unexpected difficulties and determined, therefore, that it is incompetent to handle the case. The Liquidation Office of the former Russo-Asiatic Bank is now stated to be planning to press the claim through other channels.

China Not Yet Decided to Appeal C.E.R. Case to League or the Hague Court

With reference to the current report that China will submit the C.E.R. case to the League of Nations and the Permanent Court of International Justice at The Hague for arbitration, information gathered from official circles in Nanking reveals that the Chinese Government has not yet decided to take any such action.

Terms for Floating Manchukuo Railway Bonds Announced in Tokyo

Conditions governing the flotation of the Yen 30,000,000 Manchukuo national bonds, which will be used to pay for the North Manchuria Railway, were officially announced in Tokyo, Mar. 25 by the Industrial Bank of Japan, which acts in a managerial capacity for the syndicate underwriting the bonds. The price of the bonds is set at Yen 98 for each Yen 100 of face value, with the interest amounting to four per cent annum. The bonds will be redeemed within ten years, commencing three years hence, with the amount of payment equalling Yen 150,000 every six months. The assets and revenues of the N.M.R. form the loan security. Public subscription will open on April 8 for ten days, with the initial subscription payment to be made.

Japan Guarantees Manchukuo's Payments for Railway

Japan on Mar. 23 formally guaranteed Manchukuo's payment to the Soviet Union of the amounts due for the North Manchuria Railway. The pledge was contained in a Japan-Soviet protocol signed by the representatives of the two countries. Under the terms of the pledge the Japanese Government holds itself responsible for the full payment by Manchukuo of the purchase price within the period of time specified in the transfer agreement. The Japanese Government, the note adds, will make every possible effort to prevent the U.S.S.R. from suffering any losses.

Banking Syndicate Makes First Loan

The Japanese banking syndicate, organized to float Manchnkuo state bonds, paid its first instalment of Yen 23.330,000 to the representatives of the new State, March 23.

S.M.R. to Manage N.M.R. for Manchukuo

An agreement under which the South Manchuria Railway Company is entrusted by the Manchukuo Government with the management of the North Manchuria Railway, was signed in Dairen, Mar. 23 by the presentatives of the two parties. The S.M.R., which now operates all of Manchukuo's state railways, will at once officially instruct the Directorate-General of the State Railways to take charge of the purchased railroad.

The Board of Directors of the North Manchuria Railway was formally dissolved Mar. 23, prior to the transfer ceremony.

Manchester "Guardian" Says C.E.R. Transfer Suggests That Japan Is Desirous of Peace

The transfer of the Chinese Eastern Railway is an encouraging step in the march of Soviet-Japanese relations, the *Manchester Guardian* declared in the course of a leading article March 25. The fact that Japan is ready to pay £10,000,000 for a railway already hers in practice, at least suggests that she expects and desires peace for some time. Continental imperialism, the paper states, has proved neither so easy nor so profitable as expected. Japan may well desire a period of peace to grapple with what she has already got. China may seem a more paying proposition, the article continues, than exploiting cold, hostile acres in Siberia. Economic necessity is forcing China more and more into the Japanese embrace.

Prominent Korean Murdered by Two Compatriots in Shanghai

Li Yoh-ro, a 36-year-old Korean, former vice-chairman of the Korean Association, and adviser to the Korean Residents' Association, was murdered in a house situated in an alleyway off Dixwell Road at 7.45 a.m. Mar. 25. Li's wife, Pu Seng-shing, 37, and their servant, Pu Chun-foh, 18, also shot by the assassins, are lying in a serious condition in the Foo Ming Hospital. Two armed Koreans, believed to be the murderers, were arrested by the Chapei police.

The shooting took place in the victim's bedroom on the top floor. Jumping out of bed at the approach of two armed Koreans, Li rushed to the window in an attempt to escape. He was shot in the back five times. Hearing the shots, Li's wife and the servant came to the rescue and met the two assassins in the hall. A brief struggle ensued when the woman and the servant were wounded. An alarm raised by the wounded man and woman brought a Chinese police constable of the Chapei Force to the scene, who ran after the two armed men, and arrested one of them after a brief chase. The other succeeded in crossing Dixwell Road. Another Chinese policeman, who witnessed the chase, grabbed the Korean as he ran toward him. Li Yoh-ro succumbed to his injuries shortly after being taken to hospital. According to the attending physicians, the two other wounded persons are expected to recover.

Taken to a Chapei police station, the two Koreans gave their names as Li Kwei-hu, 20, and Yen Ting-chun, 30. It was said that both the two men are members of the Korean Independence Society. The murder followed a dispute concerning political matters.

Korean Doctor Arrested in Shanghai, Sentenced to Five Years Imprisonment

Kim Shik, a Korean-born naturalized Chinese citizen—whose arrest over a year ago in the French Concession, and detention by the Japanese Consular police, at a small hospital which he operated in an alley off Rue Brenier de Montmorand, was the subject of strong protests by the Chinese authorities—was recently sentenced by Korea's highest court to five years imprisonment, according to the Shanghai *Shun Pao* of March 15. The sentence was imposed for alleged participation in the Korean independence movement. An additional eight months is reported to have been imposed on Mr. Kim for attempting to escape from prison last month.

Chinese Government Purchasing Commission Spent £3,000,000 in Britain

The annual meeting of the Chinese Government Purchasing Commission was held in London, Feb. 25, when the report for 1934 was adopted. The report shows that since the Commission came into existence it has spent in Great Britain over £2,915,000 on railway and other material. Further orders to the value of of £200,000 were decided.

A large proportion of the purchases have been made on account of the Canton-Hankow Railway. The wireless station purchased by the Commission in 1933 for the Ministry of Communications was put into service on the February 3, 1934, giving direct communication between Shanghai and London and also between Shanghai and San Francisco.

Other important schemes for which materials have been purchased during the year were: Four 3,400-ton coasting steamers for the China Merchants Steam Navigation Co. These vessels were built in pairs on the Clyde and the Tyne, pespectively, and have been safely delivered in China, radio, telegraph and telephone equipment for the Ministry of Communications for both internal and international service, and the Kiangsu and Nine Province Toll Line Telephone scheme for the Ministry of Communications.

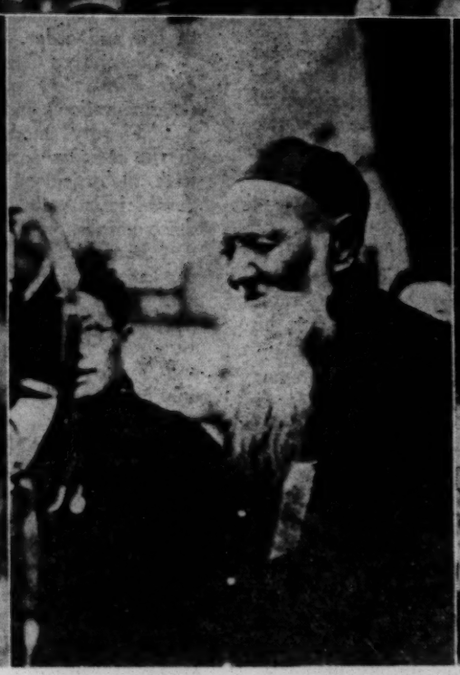
The total funds held by the Commission on December 31, 1934, amounted to £2,184,856 :3 :5.

Amoy Editor Threatens to "Give 'em The Works"

The *South China Press*, recently established daily in the English language at Amoy, Fukien province, reprinted in its issue of March 16, in the leading column on the front page (without credit) an editorial dealing with Japanese activities at Shanghai which appeared originally in *The Review* on March 9. On the back page of the same issue of the Amoy paper, under the heading, "Warning," appeared the following editorial:

> "We have strong reasons to believe that at least two persons in our midst are sowing discontent and leading a movement of antagonism against the *South China Press*. This is unfortunate especially when it is realized that we have steadfastly held to our policy of friendship. We have lately refrained from criticisms largely in consideration of advice received from friends, but we regret to note that certain misguided persons persist in a policy of ill-feeling towards this paper. We can not compel people to subcribe or advertise in this publication, but we have a policy to deal with those who treat us in an unfriendly way. We do not issue any threats, but if they do not move to change their ways, we will give them the works, so to speak."

CHINA'S FIRST "MASS" WEDDING, AT HANGCHOW



The first "mass" wedding in China was held at Hangchow on March 16 when nine graduates of the Hangchow Home of Refuge became the brides of nine lucky bridegrooms who were selected from more than 1,000 men who had applied to the Home for brides. More than 3,000 persons attended the ceremony, which was held in a local theater and each guest donated the sum of 20-cents to the Home of Refuge. The brides had entered the home when small children, some of them having been orphans, while others may have been rescued from kidnappers or possibly had been "slaves" or indentured servants. They were all attired alike in foreign-style wedding gowns, rented from a local Chinese tailoring establishment for the occasion. The men wore customary Chinese "full-dress" costumes consisting of blue silk gowns and black jackets. Among the bridegrooms was an aviation instructor in the National Aviation School and a blacksmith, also employed at the school, while the others are shop-keepers in the Hangchow district.

The idea of holding "mass" weddings is a phase of the "New Life Movement," and was designed for the purpose of reducing the exorbitant cost of the traditional style Chinese wedding.

Shanghai will stage its first "mass" wedding in April when Mayor Wu Teh-chen will officiate at the marriage of more than 50 couples who have notified him of their desire to get married on the occasion.

The pictures at the bottom are: Left, Mrs. M. S. Hu, Director of the Home of Refuge; Li Fang-hsiao, who witnessed the ceremony in accordance with official regulations; and the former Miss Feng Yang Tsin, voted the "smartest" bride. Li Feng-hsiao, who witnessed the ceremony, is one of the oldest men in China, being 113 years of age on his last birthday.

General Chiang Kai-shek Plans Final Drive on Reds in Kweichow; Imports of Japanese Paper Dwindle

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **General Chiang Kai-shek Arrives at Kweiyang on First Visit.**
2. **Joint Offensive Launched on Reds by Szechuan and Kweichow Forces.**
3. **More Troops Shifted to Shensi for Suppression of Reds.**
4. **Japanese Paper Import into China Dwindles Almost to Nil.**
5. **Maj.-Gen. Doihara to Report on Observations in China to Tokyo War Office.**
6. **Soviet Apprehensions of Japanese Invasion of Mongolia Said Justified.**
7. **War Looms in North China Over Tax Dispute Between Mongolia and Suiyuan.**
8. **Former North-Eastern Armies to Be Reorganised.**
9. **Canton Naval Chief Detained by General Chen Chi-tang.**
10. **Report of British Invasion of Yunnan Border Denied in Nanking.**

General Chiang Kai-shek, President of the Military Affairs Commission, accompanied by Madame Chiang, arrived at Kweiyang, provincial capital of Kweichow, in the afternoon of Mar. 23 by air from Chungking, the journey taking 2 1/4 hours. They were welcomed at the Chingchen airdrome by the Governor of Kweichow, General Wang Chia-lieh, and a company of civil and military officials.

During the motor trip to the city the Generalissimo and Madame Chiang were accorded a warm welcome by the inhabitants, especially by the men selected from the Central Government forces, soon after their arrival in Kweichow two months ago, to teach the population the value of the New Life principles.

The Generalissimo immediately drove to the headquarters of the local garrison, where he held a conference with the military officials concerning the anti-Communist campaign.

Another event of importance for the inhabitants of Kweiyang was the arrival there on Mar. 24 of a Condor airplane carrying a large consignment of notes for the Kweiyang branch of the Central Bank.

Considerable significance is being attached to the present visit of General Chiang Kai-shek in Kweichow. It is believed that the General Chiang's mission is to unify the command and establish more effective control over the various armies in Kweichow province and that important developments in the Communist-suppression campaign would take place in the near future with General Chiang personally supervising the operations.

EXHORTATION TO OFFICIALS TO PROMOTE PUBLIC WELFARE

An exhortation to promote and safeguard the interests of the people was made by General Chiang Kai-shek when he presided over a large gathering at the weekly memorial service on Mar. 25. at the Kweichow Provincial Government.

The Generalissimo said that the fact that Communists had been in Kweichow and had been driven out showed that the officials and the people had co-operated, but, now that the Reds were again in the province, all forces should be united to exterminate them.

Continuing, General Chiang declared that the Communists had always fought against law and order and the peace and prosperity of the people. Therefore, if after driving them out the officials did nothing to help the people to achieve a happy and contented life, the effect would be the same as if the Reds were still present.

The Generalissiimo asserted that history showed that great men were men of principle, virtue and integrity. Officials should follow the example set by them, and should be able to face their superiors with a clear conscience. They should ask themselves whether they were doing the fair thing by the people, and whether they were in reality worthy men.

Environment, said General Chiang, played a great part in the lives of officials. Therefore high officials should see to it that their subordinates were men of integrity, while the subordinates themselves should endeavour to serve worthy men.

KWEICHOW RED STRONGHOLD CAPTURED BY SZECHUAN FORCES

Jenghuai, a Red stronghold in the southwest of Kweichow, has been captured by a brigade of the Szechuan Provinncial Forces. The defeated Reds consisting mostly of the remnants of those under Chu Te and Mao Tse-tung, who recently retreated from Tsengyi, are fleeing towards the Yunnan border with the government troops in hot pursuit of them.

GENERAL CHIANG'S ADDRESS ON THE NEW LIFE MOVEMENT IN SZECHUAN

On the inauguration of the Szechuan Association for the Promotion of the New Life Movement Mar. 23, General Chiang Kai-shek, in an address, pointed out four things which should receive the primary attention of the people and the authorities in Szechuan.

Firstly, he said, immediate attention should be paid to the observance of the time-honoured virtue of Propriety *(Li)*.

By propriety we mean the maintenance of an attitude of politeness in our social intercourse. In a broader sense, we mean the observance of discipline and the maintenance of law and order.

Secondly, General Chiang said, the aim of the New Life Movement is to "militarize" the life of the people (regimentation) and to make it productive and refined.

Thirdly, most of the foreiign residents (missionaries) in the interior parts of the country live a life synonymous with the spirit of the New Life Movement. Our people should imitate the good points of others to remedy our own shortcomings.

Fourthly, in promoting the New Life Movement, particular attention should be paid to the virtues of labour and social service. In accordance with the bequeathed teachings of the late Party Leader (Dr. Sun Yat-sen), who once said that the aim of the individual should be "to give and not to take," each citizen should contribute at least one one hour's work every day towards promotion of the public welfare.

MADAME CHIANG ORGANIZES CLINIC FOR WOMEN

Foreign missionary women in Chungking are co-operating with Madame Chiang Kai-shek, wife of the Chairman of the Military Affairs Commission, in the work of organizing a clinic there for the treatment of women opium addicts. Madame Chiang has contributed $5,000 to defray part of the preliminary expenses for the clinic.

EXHORBITANT TAXES ABOLISHED IN SZECHUAN

In a telegram to General Chiang Kai-shek, General Liu Hsiang, Chairman of Szechuan, states that in accordance with the recent order of the Generalissimo, instructions have already been issued to the magistrates of the various districts in his province strictly prohibiting them to levy exhorbitant taxes during the present transitional period of the abolition of the so-called defence areas by the military commanders.

JOINT OFFENSIVE ON REDS LAUNCHED BY KWEICHOW AND SZECHUAN FORCES

The remnant "Reds" under Chu Te and Mao Tse-tung, after secretly crossing the Yutang Ho (River), have reached various points between Taipingtu and Liangkiangkow, near the Szechuan border in north-western Kweichow.

General Wang Chia-lieh, Chairman of Kweichow, reports that an attack has been launched by the combined Szechuan and Kweichow troops in order to prevent the "Reds"

crossing the Yungning Ho (River) westwards into southern Szechuan.

Another portion of the "Reds" pursued by the Central Government and Kweichow forces, have fled westwards from Sinchang, south-west of Tsunyi, towards Pichieh city, in Western Kweichow near the Kweichow-Yunnan border, with a view to entering north-eastern Yunnan from Pichieh. The Government troops are taking a short out to check their flight westwards.

MAOTAI CAPTURED BY SZECHUAN FORCES

The Szechuan pursuit forces, after recapturing Maotai, Western Kweichow, crossed the Chihshui Ho (River) and have now reached Tsaochihpa, near the Kweichow-Szechuan border. The Szechuan troops have also repulsed the invasion of the "Reds" on Chenlung Shan (Mountain), where 200 outlaws were slain. The "Reds" in the area have retreated to Chenkanping.

STAFF CORPS ORGANIZED TO SUPPRESS SHENSI REDS

To hasten the early extermination of the remnant "Reds" in northern Shensi, General Ho Ying-chin, Acting Chairman of the Peiping Branch of the Military Affairs Commission, has announced the organization of a General Staff Corps of the Commission, to be stationed in Shensi to to direct the Government troops in the drive against the marauders. Major-General Mao Kan, former Director of the Staff Department of the defunct Paoting Provisional Headquarters of the President of the Military Affairs Commission, has been appointed Director. The members of the Corps, led by Major-General Mao left for Shihchiachuang *en route* to Taiyuan Mar. 19. After conferring with the Shansi and Suiyuan authorities at Taiyuan, they will proceed to nortnern Shensi to supervise the campaign against the "Reds."

The recapture of Huangyang, a Communist controlled district in northern Shensi, on Mar. 16, was officially confirmed at Sian Mar. 19.

MORE TROOPS SHIFTED TO SHENSI TO SUPPRESS REDS

In addition to the 38th (Shensi) Army under General Sun Wei-ju, the 49th Division under Lieut.-General Wu Cheng-jen and the Independent Brigade under Major-General Wang Yao-wu have been transferred from the Chekiang-Kiangsi border to south-western Shensi to strengthen the defences there. A fresh invasion by the "Reds" under Hsu Hsiang-chien from northern Szechuan is anticipated.

The 49th Division and the Independent Brigade were until recently participating in the bandit-suppression campaign along the Chekiang-Kiangsi-Anhwei border under the direction of General Yu Chi-shih, Director of the Chekiang Provincial Peace Preservation Bureau.

NATIVE CITY OF RED HO LUNG CAPTURED BY GOVERNMENT TROOPS

The extermination of the Communists under Ho Lung and Hsiao Keh is being brought one step nearer its goal by the capture on Mar. 22 of Sangtze, the last stronghold of the Communists in northwest Hunan and the home city of Ho Lung. The capture of the key city was reported to the Wuchang military headquarters by General Hsu Yuan-chuan, Commander of the crack 10th Army and concurrently Commander-in-Chief of the Hunan-Hupeh Border Anti-Red Forces. General Hsu stated that the troops of the 48th Division entered Sangtze after a fierce battle, in which over 300 Reds were killed. The Reds were fleeing further west in the mountains with the government troops pursuing. Before its capture, Sangtze had for many years been the base, from which the Communists conducted frequent incursions into Hupeh.

CANTON AND NANKING ARMY LEADERS MEET IN KIANGSI

An important military conference was held at Kanchow, southern Kiangsi, on Mar. 23 between General Ku Chu-tung, Director of the Nanchang Pacification Headquarters, and General Yu Han-mou, Commander of the 1st Kwangtung Army and concurrently Commissioner of the 6th (southern Kiangsi) Pacification Area. Plans for the extermination of the remnant "Reds" in southern Kiangsi are understood to have been mapped out by the two leaders.

JAPANESE PAPER EXPORT TO CHINA DWINDLES ALMOST INTO NIL

The *Nichi Nichi* on Mar. 16 reported that Japan's export of paper to China has been virtually closed since the Manchurian Incident, and despite the wide cry of the recent Sino-Japanese rapprochement there is little indication of restoration of business in paper export to China. As a result the Oji Paper Manufacturing Company has decided to close again its branches in Shanghai, Hongkong, Canton and Tientsin and put agencies in the branches of the Mitsui Bussan Kaisha. The decision was put into effect on Mar. 16 in Shanghai.

Formerly Japan's export of paper to China constituted about 60 per cent of China's total paper imports and even the amount of paper exported to Shanghai by the Oji Paper Manufacturing Company alone reached $25,000,000 a year.

The anti-Japanese goods campaign started by the Chinese however, reduced the Japanese paper exports to virtually nothing. At the worst stage Japan's paper exports constituted only two per cent of China's total paper imports, Canadian and German paper being imported into China instead of Japanese. The market for Japanese paper in South China is now entirely hopeless.

DOIHARA TO REPORT ON OBSERVATIONS IN CHINA TO TOKYO WAR OFFICE

Major-Gen. Kenji Doihara, "Manchoukuo's Col, Lawrence," revealed on Mar. 26 that his recent forty-day tour of China was undertaken at the order of General Jiro Minami, Commander-in-Chief of the Kwantung Army, to explain to the Chinese official circles the role of the new State in the preservation of peace in the Orient. Maj.-Gen. Doihara had been reporting to Gen. Minami on the results of his journey to Central and South China. As the result of the conversations, Gen. Minami ordered Maj.-Gen. Doihara to leave for Tokyo Mar. 2 to report to the Army General Staff on his Chinese observations.

Commenting on the Sino-Japanese relations, he confirmed the reports that the Nanking Government has changed its attitude towards Japan, but warned against any hasty conclusion.

"It is too early to believe in China's sincerity," Maj.-Gen. Doihara said. "We can believe that a change has taken place only when we make sure that it is not a mere political expedient, and that China is really ready to rectify past beaviour."

Japan must join hands with those Chinese who are really desirous of establishing normal trade relations between the two countries and also aid in the efforts to cure China's national economy, he added. But, he warned, such co-operation should not take the form of political assistance to the Nanking Government, as this may drive Japan into "the whirpool of Chinese internal politics."

CHINA MAILS TO JAPAN TO GO VIA MANCHUKUO

Following Japanese representations to Nanking the Chinese Ministry of Communications instructed the post offices in North China on March 19 to forward the mail addressed to Japan via Manchoukuo by rail, according, to a *Rengo* report from Tientsin. The new arrangement will decrease the time of transit from five to three days.

ADMIRAL SHIMADA TOURS NORTH CHINA

Vice-Admiral Shimada, who was the Chief of Staff of the Japanese Third Fleet during the Shanghai Incident and who is now attached to the Naval General Staff, left Changchun for North China on Mar. 21 on a tour of inspection. He will Visit the demilitarized zone south of the Great Wall and also Peiping and Tientsin.

COL. ISHIDA LEAVES TIENTSIN FOR JAPAN

Col. Ishida, aide-de-camp to the Emperor of Japan, who has been visiting in North China to convey messages of the Japanese forces in that part of China, left Tientsin for Tangku Mar. 25 enroute back to Japan.

HOPEI AUTHORITIES DETERMINED TO SUPPRESS RELELLIOUS YUTIEN MILITIA

In view of the rebellious attitude of the militia corps of Yutien under Wang Chin-chung, the Hopei Provincial Authorities have decided to take stern measures to suppress the corps. The corps which consists mainly of various

irregular units and ex-bandits is now being surrounded by the Hopei Special Police Force under command of Col. Chow Yu-ying and is expected to be rounded up shortly. Part of the Corps attempted on Mar. 25 to break through the Police failed in the attempt and escaped into Tungchow.

FORMER NORTH-EASTERN ARMIES TO BE REORGANIZED

Readjustment of the various troops stationed in North China were discused Mar. 19 between General Ho Ying-chin, Acting Chairman of the Peiping Branch of Military Affairs Commission, and General Chen Cheng, Director of the Military Readjustment Department of the Wuchang Provisional Headquarters of the President of the Military Affairs Commission. General principles relating to the reorganization are said to have been agreed upon between the two officials.

While details are not yet available, it is understood that four armies—the 51st, 53rd, 57th and 67th—will be abolished. The "division" will be the unit for the former North-eastern troops.

The present 15 infantry divisions, six cavalry divisions and various artillery brigades will be reduced and reorganized into eight divisions and one training division. The new division will consist of three brigades each, with the exception of the training division which will be comparatively larger. Reorganization will be effected in July, the beginning of the 24th fiscal year (July 1, 1935-June 30, 1936).

As the troops must be inspected prior to reorganization, General Chen commenced reviewing the Northern units yesterday, starting with the 25th Government Division under Lieut.-General Kwan Lin-cheng at Peiyuan.

SOVIET APPREHENSIONS OF JAPANESE INVASION OF MONGOLIA SAID FULLY JUSTIFIED

"The danger of an invasion of Outer Mongolia by the armies of Japan and Manchoukuo is not an imaginary danger which Moscow has invented to serve the aims of the Soviet Union's home or international policy," the "Affair Esteri." an Italian review, stated on Mar. 22. "Japan," it said, "has shown clearly during the past four years the action of her military policy has suffered no interruption and that her Asiatic programme is not limited to Manchoukuo. "Hence," the review concludes, "the apprehensions of the Soviets are fully justified."

WAR LOOMS IN NORTH OVER TAX DISPUTE BETWEEN MONGOLIAN AND SUIYUAN AUTHORITIES

Unless the Suiyuan provincial government desists from its refusal to obey the orders of the Central Government and the Peiping Branch Military Council, there is a strong possibility of a civil war on the border of Mongolia and Suiyuan.

Prince Teh, Secretary-General of the Mongol Autonomy Council, sent a telegram on Mar. 25 from Pailingmiao to General Ho Ying-ching, saying that the Suiyuan authorities must be held responsible for any clashes which may occur between the Mongol and Suiyuan forces because of their proximity.

Prince Teh points out that articles four and seven of the autonomy agreement guarantee the Mongols against the colonization of their territory by the Chinese and allocates a percentage of the taxes collectd by the Suiyuan authorities on Mongol land already colonized.

He goes on to state that the percentage is not being paid and that Suiyuan, in defiance of the orders of the Nanking Government, has sent troops into Mongol territory to prevent the Mongols from collecting taxes in their own territory.

The Suiyuan authorities are reported to have refused to accept the compromise proposals made by General Ho Ying-ching.

Negotiations which are now proceeding in Peiping between the representatives of the Suiyuan Provincial and Inner Mongolian authorities for the settlement of the tax dispute so far have not made any headway, reported the *Central News*. It is understood that while the Suiyuan authorities hold that the revenue from the disputed tax should go to meet the military expenses of Suiyuan, the Mongolian Political Council at Pailingmiao insisted that the fund must go to them. Both sides are adamant on their sand, and it is believed that unless a satisfactory solution is secured on that particular point, negotiations in general are expected to reach a satisfactory conclusion.

MONGOLIAN COUNCIL TO HAVE OFFICE IN PEIPING

For the purpose of establishing better contact with the Chinese authorities, the Mongolian Political Council has decided to establish an office in Peiping to transact various routine business. The Council is now negotiating with the Peiping Branch Military Council concerning the financial side of the problem. As soon as the question is settled the Peiping Office of the Council will be established with Pao Yueh-ching as director.

GEN. HUANG MU-SUNG ASSUMES OFFICE AS MONGOLIAN-TIBETAN COMMISSION HEAD

General Huang Mu-sung, formerly vice-Chief of Staff and Special Commissioner of the National Government to Tibet, assumed on Mar. 25 his new duties as Chairman of the Mongolian and Tibetan Affairs Commission, to which he was appointed early this month. Considerable change in the staff of the Commission was made by General Huang, as many old officials had either been transferred or relieved of their offices, and new officials appointed in their stead.

PREPARATIONS FOR PANCHAN LAMA'S RETURN TO TIBET

The Panchan Lama, the "Living Buddha" of Tibet, is leaving Alashan for Chinghai around April 15. While in Chinghai the Panchan Lama will take up his quarters at the Monastery which is about 130 miles northwest of Hsining, the capital of Chinghai. A camel caravan carying the belongings of the Panchan Lama has already arrived at Hsining on its way back to Tibet.

CHIEF OF CANTON NAVY DETAINED BY GENERAL CHEN

Admiral Chiang Hsi-yuan, commander of the Canton naval force, is under surveillance. Although he is not actuallly under arrest and is allowed to receive callers, the admiral is not permitted to leave his residence in Canton, according to reports on Mar. 20.

Various reasons have been advanced as the cause of the dramatic action taken by General Chen Chi-tang. It is suggested that General Chen suspected Admiral Chiang of engaging in smuggling activities as result of his ordering of the Haichi, Haishun and Chaoho, three war vessels formerly attached to the Tsingtao naval force, to enter docks in Hongkong with General Chen's permission.

The order for putting Admiral Chiang under surveillance was issued by General Chen on March 14. Officers who called on Admiral Chiang were "shadowed" by plain-clothes men from he Public Safety Bureau.

The official circles refuse to comment on the question, declaring that Admiral Chiang is now "ill" and will not receive callers. The resignation submitted by the admiral following his loss of freedom has been rejected. It is believed that General Chen is still investigating into the charges against the admiral and reserving his decision for the future disposal of the naval commander.

Rear-admiral Chiang was set free on Mar. 22. His movements, however, are still being closely watched by military police.

REPORT OF BRITISH INVASION OF YUNNAN BORDER DENIED

Li Pei-tien, Director of the Nanking Office of the Yunnan Provincial Government, is in receipt of a telegram from General Lung Yun, stating that no official report has ever been received by the Yunnan authorities concerning a recent alleged invasion, by British troops, of Mengchio and Mengtung, south-western Yunnan near the Yunnan-Burma border. Besides instructing Li Sou-kai and Yang I, Border Reclamation Commissioners, to conduct an investigation, General Lung has also asked them to ascertain the source of the current report.

GENERAL HUANG FU DUE AT NANKING MARCH 31

General Huang Fu, Chairman of the Peiping Political Council, who is now recaperating ta his mountain resort in Mokanshan, is expected arrive here from Hangchow on March 31 and will assume his concurrent post as Minister of Interior in the first week of April, according to a telegram received by Ministry from General Huang Mar. 26.

Ma Chao-chun, a State Councillor of the National Government, was appointed Mayor of Nanking Municipality on Mar. 26 by the Executive Yuan.

Japanese Ready to Take Over Chinese Cotton Mills

The *Tokyo Asahi*, March 15, stated that the China Oriental Development Company plans to purchase several Chinese spinning mills, which though equipped with modern machinery, are in heavy debt.

There are at present more than 40 Chinese-owned spinning mails in Shanghai, Tsingtao and Tientsin, but they have been beaten by the Japanese mills in China in point of technique and capital, and most of them have had their property heavily mortgaged and have little bright prospects for the future. Some of them are on the verge of bankruptcy, the *Asahi* reiterated.

Suiyuan Woolen Mill Does Thriving Business

The Suiyuan Woolen Goods Factory at Kweihua is reported to be doing a thriving business, according to recent advices from Kweihua.

The Ministry of Industry is making preparations for the establishment of a model silk factory at Hangchow. A tract of land, situated outside the Wu Lin city gate, has been selected as the site for the factory.

New Railway Administration Building to Be Built at Shanghai

Tenders are being sought for the construction of a modern 12-story structure to house the administration of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo railroads—one of a series to rise in the North Station compound. It is to be a granite, artificial stone and concrete structure, 260 feet long and 60 feet wide, with two wings of nine stories. The main entrance will be on Boundary road.

Chekiang to Have New Railway Shop and Electric Power Plant

Plans are now being considered by the Chekiang-Kiangsi Railway Company for the establishment of a large-scale railway workshop at the cost of $17,000,000, at Hangchow.

General Huang Shao-hsiung, Chairman of the Chekiang Provincial Government, has decided to expand the electric power plant at Siaochi in the district of Tsingtien, eastern Chekiang.

Chinese Members of Sino-Belgian Commission Hold Meeting

A meeting of the new Chinese members of the Sino-Belgian Commission for the Administration of the Belgian share of the Boxer Indemnity Refunds was in Nanking Mar. 9. With regard to the loan extended to the Ministry of Railways, amounting to three-fourths of the proceeds from the Belgian Boxer Indemnity Refund, it was decided that T. K. Tseng and Tuan Hsi-peng should negotiate with the Ministry for payment of the interest, fixed at 5% per annum, to the Commission as soon as possible.

National Railway Transportation Conference to Be Held May 16

The Ministry of Railways has fixed May 16 as the date for the holding of the National Railway Transportation Conference in Nanking. Following the conference, a Through Transportation Conference will be convened.

Nanking-Wuhu Railway Will Be Opened April 1

In view of the practical completion of the Nanking-Wuhu section of the Kiangnan Railway, traffic service on the section will be formally opened on April 1. Preparations for the passenger service on the line are also under way and it is expected that it will be started latest by April 15.

Hundred Thousand Workers Build Canton-Hankow Railway

More than 100,000 workers are working on the construction of the Chuchow-Shaowu section of Canton-Hankow Railway, according to Ling Hung-hsun, engineer-in-chief of the railway who, together with eight other officers of the railway, arrived in Shanghai Mar. 25 enroute to Nanking to submit a report to the Ministry of Railways.

Combined Railway and Bus Service Between Canton and Hankow to Start Next Month

It is announced from Canton that tentative direct through service between Canton and Hankow will be started in April. Arrangements are being made with the Kwangtung-Hunan Inter-Provincial Highway to bridge the gap between Shuichow and Chuchow by omnibus.

Work on the double-tracking of the section between Shanghai and Nanhsiang of the Shanghai-Nanking line is in the last stage of completion and traffic on the section will be opened on April 1. The ticket price for the section is understood to have been fixtd at 25 cents for the 3rd class.

British Experts Will Reorganize China's Railway System

Brig.-Gen. Frederick Dawson Hammond, an authority on railways, will depart from London for China in the near future to examine and advise upon the organization of a Chinese railway system. He will be accompanied by two experts of the Great Western Railway. Brig.-Gen. Hammond will sail from Marseilles on April 5 and will go straight to Nanking. His trip to China is made at the request of the Chinese Government.

Survey of Haichow-Chengchow Highway to Be Started Soon

Plans for the construction of the Kiangsu-Honan Inter-provincial Highway linking up Haichow with Chengchow having been completed, survey on the route of the projected highway will be started immediately. A group of engineers and surveyors has arrived in Hsuchow from Nanking to work on the line.

Hupeh Asks Loan of $1,000,000 from Bankers for Road Construction

For the purpose of financing highway construction projects in the province, the Hupeh Provincial Government is negotiating with the local branches of the Central Bank, the Bank of China, the Bank of Communications and 13 other banks for a loan of $1,000,000. The loan will be secured on the Provincial Reconstruction Bonds and redeemed by instalments in 13 months.

The Changchow (Fukien) Pacification Headquarters Mar. 24 remitted a sum of $150,000 to finance the construction of the Yenping-Shahsien-Yungan-Liencheng Highway in Northern Fukien.

Szechuen to Organize Highway Finance Commission

As a step for the speeding up of highway construction in Szechuen, General Chiang Kai-shek, Chairman of the Military Affairs Commission, has recently instructed the Szechuen Provincial Government to organize a finance committee for highway construction in the province. The duty of the committee, it is learned, will be to raise and safe-keep funds for highway construction.

Work on Szechuen-Kweichow Highway Is Speeded Up

Acting under orders from General Chiang Kai-shek, the Szechuen Provincial Highway Construction Bureau is speeding up the work on the Szechuen-Kweichow Highway.

Detailed Statistics on Highway Construction in 1934

The following statistical figures regarding the length of high ways constructed or surfaced in the various provinces during the year of 1934 were released by the National Economic Council in Nanking Mar. 18. *Provinces*: Kiangsu, 430 km; Chekiang, 1,010 km; Anhwei, 488 km; Kiangsi, 1,374 km; Hupeh, 178 km; Hunan, 1,306 km. *Length of Branch Lines*: Kiangsu, 417 km; Chekiang, 1,208 km; Anhwei, 280 km; Kiangsi, 800 km; Hupeh, 300 km; Fukien, 429 km.

China Imported $50 Millions Worth of Machinery in 1934

According to an announcement made by the National Reconstruction Commission, the value of the machinery imported into China from abroad during 1934 totalled $50,720,000. Spinning and weaving machines occupied the largest portion of the imports.

New Power Plant Completed in Chungking

Construction of the new $4,000,000 power plant in Chungking has been completed. The plant, which is capable of supplying electricity of 1,000 kilowatts daily and nightly, was thrown open for public inspection Mar. 16.

Through Train Service Between Tsingtao and Peiping

For the convenience of summer tourists, direct through train service will be operated on April 1 between Peiping and Tsingtao via the Peiping-Tsinan section of the Peiping-Shanghai through service and the Kiaochow-Tsinan Railway. The arrangement will hereafter be in force six months every year beginning from April 1 to September 30, it is announced.

New Time-Limit Set for Complying with Savings Bank Law

In a circular order to the Banking Associations in Peiping, Tientsin, Hankow and Hangchow, the Ministry of Finance authorizes the prolongation till June 30 next, of the time-limit set for the enforcement of the provision of the new Savings Banking Law, requiring all savings banks to deposit (either in Government bonds or Treasury Notes) one-fourth of the total deposits with the Central Bank of China as security.

Second Three-Year-Plan Mapped Out by Kwangtung

Not satisfied with the result thus far attained in the execution of the first three year plan, which expires at the end of this year, the Kwangtung Provincial authorities are mapping out with redoubled zeal and prudence a second three year plan as a guidance for administration and reconstruction in the province for the next three years.

New Omnibus Service at Nanking

Preparations to operate a direct omnibus service between Nanking and the "Model Village" for returned overseas compatriots in the district of Hsuancheng, Anhwei, in order to facilitate communications, are being made by the Committee in charge of the village.

Rural Relief Measures Made for North China

Practical measures for the relief of the rural communities in North China have been decided upon by the China Agricultural Co-operative Loan Mission as result the of a conference between representatives of Peiping banking circles and members of the mission. It is stated that the Mission will raise an initial capital of $3,000,000 at an annual interest of 5 percent, with its head office at Shanghai and branches at Hankow, Peiping, Chengchow, Sian.

Japanese Diet Adjourns, Avoids Radical Discussions

The 67th session of the Japanese Diet came to a close on the night of Mar. 25, the formal closing taking place the following day. Reversing its earlier decision the Government decided not to extend the present session of the Diet. The sudden decision of the Cabinet not to petition the Throne for permission to extend the current session for three and possibly four days was attributed by political circles to the Government's fear of serious developments in the Upper Chamber in connection with the Rice Control Law Bill, and other radical measures.

Out of 55 bills introduced by the Government, eleven, comprising the most important measures in the Okada Cabinet's program, failed to reach the Upper House in time for discussion.

Resolution Passed Which Mildly Reproves Dr. Minobe

Following an eleventh-hour agreement concluded between the three major parties, the Japanese House of Representatives March 23 passed unanimously a resolution urging the Government to "suppress public discussion or the expression of opinion contrary to the national polity." The motion was introduced by Dr. Kisaburo Suzuki, president of the Seiyukai, where the move originated, but was labeled a joint resolution. The declaration stated that the clarification of the true meaning of the Constitution is the most pressing problem of the moment and asked the Government to take action to suppress all theories which contradict the "sublime and incomparable" Constitution. This action by the Lower Chamber was an upshot of the controversy aroused by some members of the House of Peers who began a campaign of criticism against Dr. Minobe, authority on Constitutional matters, who originated the theory that the Japanese Emperor is an "organ of the State".

Japanese Trade Museums to Be Established in Australia

A party of nine members of the Aichi Commercial Museum departed from Kobe March 25 for Australia, where they will open a number of permanent exhibits of Japanese goods.

Japan Oil Company to Engage in Oil Production in Formosa

The Japan Oil Company, which heretofore worked an oil field in Borneo jointly with the Mitsui Bussan Kaisha, has decided to abandon the work there and shift its surplus power to Formosa. The company has now been entrusted by the Navy with working oilfields at Takao and Kosen, Formosa, the Navy's reserve oilfields. The company also intends to engage in prospecting at Hozan oilfield and is engaged in preliminary investigations.

Japanese Shipping Lines Unite to Compete Against Dutch Company

Four Japanese shipping companies, which withdrew from the Java Freight Tariff Conference on March 4, have decided to establish joint cargo offices in Yokohama, Kobe, Osaka and Nagoya so as to be able better to compete with the Java-China-Japan Lijn, Netherlands concern. The four companies are: The Nanyo Yusen Kaisha; the Nippon Yusen Kaisha; the Ishiwara Kogyo Kaisha and the Osaka Shosen Kaisha.

Foreign Office Moves to Adjust Soviet-Japanese Relations

The *Kokumin* March 16 stated that the Foreign Office authorities, while withholding official comment on the declaration made by Foreign Commissary Maxim Litvinov of the Soviet Union on promotion of peace between Japan and the U.S.S.R. pending arrival of an official cable, informally stated that although there are points in the declaration to which Japan cannot agree, the statement in general enables the Japanese authorities to recognize the Soviet policy for promotion of peace.

The Foreign Office, the *Kokumin* said, intends to make a positive endeavor to adjust Japan's relations with Soviet Russia, at the same time with working for an adjustment of Sino-Japanese relations.

Plan for Revision of Soviet-Japanese Fishery Agreement Is Drafted

The Foreign Office has drafted a tentative plan for revision of the Soviet-Japanese Fishery agreement after full talks with Japanese fishery industrialists. It has been decided to prepare instructions to be given Mr. Ohta before he leaves for Moscow early next month. It is expected that the Foreign Office will re-examine the tentative draft shortly and then hold a joint conference with the Ministry of Agriculture and Forestry before drafting instructions for the Japanese Ambassador to Moscow.

Yen 32,000,000 Increase in Imported Pig Iron and Steel Estimated

The value of imports of pig iron and steel into Japan will increase by Yen 32,000,000 this year above last year's total following the projected lowering of the customs tariffs on the metals according to istimates of the Ministry of Commerce and Industry.

Cotton Export Quota Controversy May Lead to Policy Revision

Modification of the Japanese Government's established policy of controlling foreign trade through exporters' guilds was declared possible by experts in Tokyo, March 25, as a result of the three-sided controversy among the Cotton Exporters' Guild, the Ministry of Commerce and Industry and the Japan Cotton Spinners' Association, over the latter's demand for a 50% share in the export quotas assigned by the Government to various exporters' guilds.

Foreign Cable Rates Into and from Japan to Be Reduced

A cable rate reduction was announced Mar. 25 by the Japanese Ministry of Communications, to take effect beginning April 1. The reduction in rates will be effected throuth the change in the official franc-yen exchange rate, with the franc costing the Japanese cable senders six sen less than now. The franc is the standard currency of international cable charges.

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California County Grand Jury Investigates Japanese Land Holdings

The Tulare (California) County Grand Jury, Mar. 22, opened an investigation of charges that Japanese are overrunning the farming section of the country in such numbers that white farmers are being run out of the district. Fifteen witnesses were summoned to give evidence supporting alleged violations of the California land laws by the Japanese. A hearing on land law violations is to be held shortly after the first of next month.

Japan Will Protest Against Arizona Anti-Japanese Bill

Rengo states that Japan will file on official protest with the American Government if the anti-Japanese land bill, now before the House of Representatives of the Arizona State Legislature, is passed.

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Chinese in Yokohama Agree to Pay Taxes on "Permanent" Leases

A new angle to the question of the perpetual leases in Japan, one which has given great joy to the Japanese, was an announcement that the Chinese community in Japan would organize a taxpayers' association and pay municipal and prefectural levies in the future. Liao Hao-chien, leader among the Chinese residents in Yokohama, stated that more than 20 of his countrymen had expressed their approval of the proposed action.

The Japanese authorities have always felt sore, because, when the question was placed before the International Court of Arbitration by the British Government, the tribunal rendered a decision against the Japanese government. Since then the Japanese Government has abstained from demanding the payment of direct taxes, but has insisted that inasmuch as the residents were benefitting from the public facilities provided in those areas by the city and prefectural authorities, they were obligated to pay taxes levied by the municipal and regional administrations.

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Japanese Allegedly Fake Invoices So as to Evade Customs Duties

Burton Crane, business manager of the *Japan Advertiser*, who conducts a daily column on Japanese finance, made the following comment in the issue of Jan. 11:—

"China's new *ad valorem* tariffs are higher than the old specific rates but, strangely enough, certain Japanese concerns are doing better business than formerly. It has become the practice (at least, so a usually reliable authority declares) to demand 25 per cent of the price with the order and then to make out the invoice for 75 per cent of the total. This chops a quarter off the customs duty and helps to beat competition; one concern is even getting 50 per cent in advance and has the world licked. Unfortunately, this system is incapable of indefinite expansion. The Shanghai customs officials might suspect something if 100 per cent were paid with the order and the goods were invoiced for the amount of freight and insurance."

Two New Vice Consuls for Shanghai Consulate General

James B. Pilcher, vice-consul at Harbin, has been appointed a vice-consul in Shanghai. John S. Littell, now consul in Mexico City, has been transferred to Shanghai with the same rank.

Wang Ching-wei, President of the Executive Yuan, gave a dinner party in honor of Sir Alexander Cadogan, British Minister to China, March 26. Sir Alexander give a return dinner in honor of President Wang, and high officials of the Waichiaopu, on the evening of March 29.

W. J. R. Thorbecke, Netherlands Minister to China, departed from Shanghai March 28 for Europe on furlough.

W. Bullitt, United States Ambassador to the USSR, arrived in Washington March 21. He is expected to return to Moscow in April.

Dr. Kung Denies China Seeking British Loan of £10,000,000

Dr. H. H. Kung, in a press interview upon his arrival in Nanking from Shanghai Mar. 26, according to *The China Press*, denied the report that China is seeking a sterling loan of £10,000,000 from Great Britain. The Finance Minister had at lengthy conference with Sir Alexander Cadogan, British Minister to China, who called on Dr. Kung in the afternoon.

The Tokyo *Asahi*, March 15 stated that a reliable report received in Tokyo had revealed the fact that China has asked Britain to extend to her a new loan of £200,000,000 as a fund to improve China's currency system. A notice to this effect was given the Japanese Government by Great Britain through Manager Kano of the London Branch of the Yokohama Specie Bank stationed in London, who is the Japanese representative of the new Four-Power Loan Consortium. £200,000,000 is equal to 3,200,000,000 yuan and there was a doubt whether the Nanking Government which is suffering financial difficulties should have asked for such a huge loan. This doubt, continued the *Asahi*, was strengthened when it was indicated that the loan was an effort on the part of Finance Minister Kung and T. V. Soong and their faction opposed to Japan, to bring pressure to bear on Japan.

Dr. H. H. Kung, interviewed in Shanghai Mar. 21 at the Central Bank, declared that concrete measures were being discussed with the governments of the various countries in connection with the projected international loan to China to stabilize Chinese currency and foreign exchange. Dr Kung said that the National Government had received a communication from the British Government, inquiring concerning the Chinese Government's measures for the relief of the economic depression and expressing its willingness to assist in this matter. The recent visit of Sir Alexander Cadogan, the British Minister to China, to him at Nanking, Dr. Kung added, was also in connection with the question.

Central Bank to Have Two Deputy Governors

The revised regulations governing the organization of the Central Bank, which were passed at the meeting of the Central Political Council, provide that there shall be two deputy governors for the bank instead of one as at present. The creation of the post of an additional governor is considered necessary because of the increasing volume of business of the institution.

K. P. Chen, Managing Director of the Shanghai Commercial and Savings Bank, has been slated for the post as the second Deputy Governor of the Central Bank as provided in the recently revised regulations of the Bank.

Central Bank's Chungking Branch Opened March 25

The Chungking branch of the Central Bank of China was formally inaugurated on March 25.

Chinese Chamber Asks for Increased Duty on Wheat

The Shanghai City Chamber of Commerce in a petition to the Ministry of Finance Mar. 23 urged that the import duty on foreign wheat be increased so as to stop foreign dumping. The present import duty on foreign wheat, the petition points out, is about $0.60 per picul (100 catties). Due to the wide discrepancy between Chinese currency and foreign exchange, this duty is, the petition arges, insufficient to prevent the dumping of foreign wheat on the Chinese market.

With the continued importation of foreign wheat, the petition continues, more Chinese dollars are flowing outward, thereby aggravating the distress of the merchants; moreover, wheat being one of the staple products in China, a surplus of the prodnct is stored in granaries in various parts of the country. This surplus, it is argued, ought to be sufficienr to meet the requirements of this country, for the time being at least.

Replying to the recent petition of the National Industrial and Commercial Relief Association submitting proposals for emergency assistance to businesses suffering under the present acute depression, the Ministry of Finance Mar. 19 expressed approval of the recommendation that the Bank of China should undertake the organization of a financial syndicate for the purpose. The Ministry adds that it has instructed the Bank of China to report on ways and means for giving prompt effect to the proposed emergency relief measures.

Match Industry Petitions Finance Ministry For Relief

The National Match Manufactures' Guild in a petition to the Ministry of Finance Mar. 24 urged that measures for the relief of the native match industry be devised and adopted without further delay. A petition for urgent relief of the native match industry was submitted by the Guild to the Ministry in July last. In that petition, it was urged that measures for Government control over the match industry be devised and enforced. The petition says that smuggling on a large scale is continuing with impunity, and competition among merchants is increasing more than ever, with the result that prices of matches have fallen considerably, to the serious loss of bona fide match manufacturers. Referring to the industrial policy of the late Party Leader (Dr. Sun Yat-sen), the petition observes that though the development of domestie industries is the settled policy of the Government, the painful fact remains that the majority of native industries are more or less under the control or manipulation of foreign interests.

Anhwei Merchants Oppose Increased Taxes

The decision of the Anhwei Provincial Government to increase by 20 per cent the rates of various taxes, including the Business, Brokerage and Slaughter Taxes and the Tobacco and Wine Licence Taxes, has aroused much opposition among the merchants in that province. The Anhwei Federation of Chambers of Commerce has despatched a petition to the Ministry of Finance requesting that the Anhwei authorities be instructed to refrain from imposing the proposed increase.

It was announced in Changsha, Mar. 25, that an agreement for a loan of $1,000,000 from a banking syndicate in Shanghai (on the security of a portion of the Hunan Provincial Reconstruction Loan bonds) has been signed at the Central Bank of China between Messrs. Chang Kai-Lien and Yu Chi-chuan, Provincial Commissioners of Finance and Reconstruction for Hunan, on behalf of the Hunan Provincial Government; and Messrs. Hsi Te-mou, Chen mo-hao and Cnang Pei-shen, representing the Bank syndicate. The loan is to bear interest at 8 per cent per annum, and is to be redeemed in two years.

Purchases of Silver in Hongkong Are Discontinued

A message from Hongkong Mar. 22 stated that the Bank of China and the Bank of Communications have stopped buying for the account of the Exchange Stablilization Commission. Purchases of Chinese silver dollars by the two banks in an effort to relieve the tight money situation in Shanghai have reportedly fallen far short of the $20,000,000 goal originally fixed by the Exchange Stabilization Commission.

The first shipment of silver ($3,000,000 worth,) purchased by the Foreign Exchange Stabilization Commission from London arrived in Shrnghai beginning this week. The second shipment is expected to arrive April 4, and the third shipment on April 18.

Plan to Abolish Export Duties Is Beset with Difficulties

With regard to the Government's decision to reduce or exempt the export duty on native goods and abolish the inter-port duty, as a means of relieving the present depression in the country recommended by Dr. H. H. Kung, Minister of Finance, official circles in Nanking Mar. 2S indicated that, for obvious reasons, some time will have to elapse before the measure for reduction or exemption of the export duty ban can be fully carried out. Owing to its complicated nature, a detailed program for its enforcement will have to be first worked out with due consideration of all the factors involved. Concerning the other measure, namely, abolition of the inter-port duty, it is pointed out that this is comparatively simple and can be enforced without any difficulty.

The proceeds from the inter-port duty amount to about $15 millions annually. To make up the loss, suitable measures will devised by the Central authorities, it is stated.

Nanking Government to Issue $100,000,000 Bonds

After days of discussion the National Government took definite steps Mar. 20 for the relief of commercial and industrial stagnation in China when the Central Political Council sanctioned the issuance of the 24th fiscal year Financial Bonds to the amount of $100,000,000. Interviewed by a representative of the *Central News* Agency, Dr. H. H. Kung, Minister of Finance, stated that the main purpose of issuing the $100,000,000 bonds was to help substantiate the capital of leading Chinese banks and to encourage exports as a means of combatting China's huge adverse balance of trade. Of the $100,000,000 bonds, Dr. Kung explained, $30,000,000 will be appropriated to the Central Bank of China, $25,000,000 to the Bank of China, and $10,000,000 to the Bank of Communications.

The Finance Minister went on to explain that requests for loans for the relief of Chinese industries generally pour into these three banks, yet because of financial difficulties, these banks have not been able to cope with the situation.

Besides helping to substantiate the capital of leading Chinese banks, Dr. Kung said, another step will be taken at the same time to relieve commerce and industry in the form of cutting down export duties and the abolition of transit levies, so that China's exports may be increased and the financial burden of Chinese merchants lightened.

The loan, it is stated, will be secured on Customs revenue receipts and amortized within a period of ten years. The bonds will be issued in denominations of $10, $100, $1,000 and $10,000 and will bear interest at the rate of six per cent per year.

Manchukuo Army Ammunition Dump Explodes Near Harbin

Scores of persons were killed and many others were injured when a Manchukuo Army ammunition dump located Gondatieffka, across the river from Harbin, blew up Mar. 24. Fire, which followed the blowing up of the ammunition dump, spread to a number of nearby buildings which were burned to the ground. Not a window pane within a radius of a mile from the dump remained intact, having been shattered by the force of the explosions, three in number. These were followed by a series of detonations which were audible throughout Harbin. A cordon was posted around the entire vicinity by the military authorities shortly after the first explosion, to keep back the curious and foolhardy. An attempt was made by the soldiers, both Manchukuo and Japanese, to subdue the flames; but their efforts met with little success.

As the fire ate its way through the dump its progress was heralded by the explosion of shells and other ammunition. No one dared approach within 500 yards of the dump due to fear of stepping on a piece of shell-casing or a bullet. An official communique issued by the Kwantung Army stated that the cause of the explosion was the spontaneous combustion of stored dynamite. The exact number of casualties have not been ascertained so far.

Hirota Favors Abolition of Extrality in Manchukuo

Since Japan's vested rights will be fully protected under all new arrangements, there is no reason why the Japanese Government should not support Manchukuo's efforts to abolish extraterritorial rights, Mr. Hirota, Foreign Minister, stated in the House of Representatives Mar. 22.

Manchukuo's Trade With China Shows Decline

Manchukuo's trade with China during 1934, amounting to MY. 123,288,969 in value, represented a decrease of MY. 34,000,000 from the previous year, according to figures made public March 20. Exports totalled MY. 57,594,562 against the imports of MY. 65,694,407, a decline of MY. 22,000,000 in the former and of MY. 12,000,000 in the latter.

Red Cross to Build Hospital in Harbin

Plans for the construction of a huge Yen 800,000 hospital in Harbin and the expansion of the existing medical facilities in Mukden, Dairen and Kinchow were revealed March 21 by Count Tsunawa Sano, Director of the Japan Red Cross Society, who returned to Tokyo March 17, from an extensive tour of Manchukuo.

Manchurian Products Invade Japanese Market

Following K. Hirota's reply, to a question asked of him by a member of the Diet March 19 in which the Foreign Minister declared that preferential tariff rates cannot be granted to Manchukuo because other nations would be able to claim similar reductions under the "favored nation" agreements, businessmen revealed that many Manchurian products have been placed on the market, thus offering serious competition to Japanese products. Therefore, according to the *United Press*, business men and economists are studying the situation in order to determine how far Japan can logically proceed in encouraging Manchurian enterprises without at the same time endangering certain lines of Japanese business.

230 Chinese Arrested on "Rebellion" Charge at Harbin

According reports received in Peiping from Manchuria March 20 Japanese authorities in Harbin rounded up 230 Chinese on the previous Sunday and sent them to Changchun for trial. The Japanese authorities charge that the Chinese are members of the "China People's Self-Defence Association," the headquarters of which were raided.

Jehol Bandits Invade Tsunghua

More than 200 bandits from Jehol penetrated into Tsunghua March 22 and seized about 30 rifles from the residents of the 2nd district of the city. The bandits were pursued by both the militia and the new Peace Preservation Corps.

The Harbin correspondent of the *North China Daily News* reported March 10 that about 600 bandits, being members of three gangs under well-known leaders, rushed the gates of the town of Fengchan, situated on the Sungari about 80 miles northeast of Harbin, in the early morning, driving back the force of about 200 police who had been left to guard the inhabitants and their property. Fighting occurred in the streets, during which several persons were killed and many wounded and it was not long before the gang had control of the main part of the town. They looted and robbed to their heart's content, at the same time setting fire to many of the buildings and as there was a high wind at the time, the fire spread with great rapidity.

Two Manchukuo Officials Killed by Korean Volunteers

Hsu Wei-lu, magistrate of Tunghua under, the jurisdication of Chinchow, and his Japanese counsellor were attacked and killed by a band of volunteers under command of a Korean revolutionary leader at a point west of Mukden on March 19, according to a message received more from Chinchow. The two Manchukuo officials were on their way to Mudken from Tunghua, accompanied by a bodyguard of thirty policemen. When they reached a point to the west of Mukden, they were ambushed by a party of Chinese and Korean volunteers and, before they found time to resist, they were immediately surrounded. After the guards were disarmed, the two Manchukuo officials were shot to death.

Chinese Shops in Mukden Closed by Japanese Competition

Over forty Chinese shops in Mukden were closed during the month of February due to Japanese competition. Most of the shops affected were silk stores and groceries. Compared with the same period of last year, the figure represents an increase of more than fifty percent.

O. S. K. to Add 7,000-Ton Liner to Kobe-Dairen Run

Addition of a new 7,000-ton liner to its fleet on the Kobe-Dairen run was announced Mar. 25 by the Osaka Shosen Kaisha.

Battleship Arrives at Dairen to Carry Manchukuo Emperor to Japan

The 35,000-ton battleship *Hiyei* was due to arrive at Dairen March 29, The purpose of her visit to said port is to take aboard the Emperor Kang-te of Manchukuo, who is due to arrive in Tokyo on April 6 on an official visit to Japan. The *Hiyei* will sail from Dairen for Yokohama on April 2, escorted by a destroyer flotilla.

Japanese Restrict Migration of Chinese into Manchuria

With reference to the recent action of the Japanese Kwantung Army authorities in barring entry into Manchuria of Chinese peasants and laborers, messages from Peiping indicate that the Japanese action is part of a comprehensive scheme for encouraging and assisting Japanese and Korean migration into Manchuria. It is pointed out that during recent years no less than three million Chinese emigrants from Shantung, Hopei, Honan, and Chahar have left for Manchuria every year. Most of these emigrants are farmers and workers who could stand all kinds of hardships. Their standard of living is so low that they have been able to remit to their homes in their native provinces around thirty million dollars each year from Manchuria. The Japanese and Koreans, on the other hand, are accustomed to a better standard of living and are unable to stand hardships such as are borne by the Chinese. So far as migration is concerned, the Japanese and Koreans are no match for the Chinese farmers.

The restrictions being imposed by the Japanese masters of Manchuria are generally aimed at breaking the economic link between China and Manchuria. Restrictions on transfers of money are among the measures to be invoked to attain this object.

More than 2,000 Chinese peasants and workers were stranded in Kupeikow due to the sudden enforcement of strict immigration measures in Manchuria, In view of the presence of the large number of unemployed people there, the Japanese authorities declared martial law in the district and special police officers were posted at various points inside the pass to forestall any trouble.

According to an announcement made by the so-called Great Eastern Company (Japanese) at Shanhaikwan, March 25 provisional "passes" will be issued at 50 cents apiece from April 1 to those who wish to go beyond the Great Wall. The restrictions imposed by the Japanese authorities on Chinese railway passengers going to the North-east have been relaxed. Two hundred passengers were able to secure passes and make the trip Mar. 23. The original regulations required that Chinese wishing to enter Manchuria had to possess a certificate showing that he had a bona fide job in Manchuria, or a letter from some organization showing that he was employed; also possess some kind of working tools or machinery; also fill in a form at the headquarters of the Japanese garrison force at Shanhaikwan.

Communists Menace Western Hunan

A *Review* subscriber writes from Shenchowfu:—"West Hunan is not just the safest place in the world at present. There are enough soldiers in that area to make it quite safe, but they seem to be rather green and none too good. The Communists under Ho Lung and Siao Keh run rings around them. As for the group from Kiangsi that went through Kweichow, report says that they are coming back to Hunan. These Hunan generals scout the idea of their being able to return, but it is hard to say just how much the word of these soldiers who are fighting the communists can be trusted."

General Chiang Kai-shek Defeats the Reds in Central China

(From the Review's Correspondent at Hankow)

ACCORDING to latest reports, Ho Lung, Red commander in northwestern Hunan province, has met with reverses at the hands of the government troops under General Ho Chien, chairman of the Hunan Provincial Government. After some stubborn fighting, both Hsiao Keh and Ho Lung were compelled to retreat westward to the mountains, allowing the Hunanese forces to occupy again the native city of Ho Lung, Songtze, which intermittently for many years has been the headquarters of the red armies in this section of China. However, the rumor that Hsiao Keh has died from wounds inflicted in the struggle must be discredited as being a false report.

Chu Teh and Mao Chi-tang Hard Pressed

The Red chieftains, Chu Teh and Mao Chi-tang, who have been gallivanting up and down Kweichow province since they left their erstwhile haunts in southern Kiangsi, have been cut off from any contacts with Ho Lung and Hsiao Keh on the Kweichow-Hunan border. East of the Wukiang river strong defenses are being built to prevent the reds from escaping into other territory. However, with the reds fighting for their very existence, they will seek to find the weakest link in the chain of defense and make a swift dash for freedom. The lack of food supplies in the northwestern part of Kweichow province makes it imperative that the reds find new grazing lands, where foraging and looting may be indulged in.

General Ho Chen-chun, Pacification Commissioner in Hupeh, has been conferring with military leaders in Kweiyang, capital of Kweichow province, relative to the measures to be taken against the reds. Both General Hsueh Yoh and General Wang Chia-lieh presented plans for the elimination of the communistic menace in their districts.

Chiang Kai-shek Urgies the Development of Communications to Fight Banditry and the Reds

Construction on the Chengtu-Hankow Railway will be resumed in the not distant future if plans of General Chiang Kai-shek and the Ministry of Communications are carried out. The increasing importance of Szechuen for the peace and unification of China demands that some improved modes of communication be established between central and west China. Moreover, the strategic significance of the line can hardly be overestimated. The problem of rapid and dependable transportation of troops from central to west China in the low water season is sometimes problematic, since very few steamers are so constructed that they can negotiate the river during such times. Besides reducing the risks just mentioned, a railroad would bring central Szechwan several days nearer Hankow, and would become another heavy artery of trade.

Last week three elderly statesmen, Messrs. Wu Tse-hui, Chang Chin-kiang, and Li Shih-tseng, passed through Hankow bound for Chungking and points west, where they are scheduled to confer with General Chiang Kai-shek and other leaders in Szechwan, relative to the exploration of plans for the exploitation of the natural wealth of the huge western empire state.

The National Economic Council has decided to link Szechwan and Kansu and Shensi provinces by highways at a cost of $8,000,000.00.

Southern Shensi Continues Somewhat Unsettled

Reports from eye-witnesses arriving in Hankow state that conditions in Shensi are not too good, although the government troops have been pouring into the province for several weeks from the east. The C.I.M. missionaries who evacuated the cities in southern Shensi, are still in Hankow and it is as yet uncertain when they will return to their field of work. However, it is not for lack of willingness to return. But due to the unsettled conditions in several of the southern cities the Chinese authorities deem it unwise to have them return at this time.

Reds Driven Back Into Szechwan; Kansu Threatened

With the driving of the reds from Shensi a new problem arises. The reds apparently have not spent their strength. On their return to Szechwan they captured several cities from the government troops. Although some of the negligent Generals have been demoted for their carelessness, the fact remains that on the whole the reds have fully as good discipline in their ranks as the government troops. No doubt a purging of the military establishment in Szechwan province is long overdue. If and when the Generalissimo is able to unify the command, and effectively control the military forces operating in the province ostensibly under Nanking, he will have achieved the first rung on the ladder of success in his newly acquired western empire. The second rung would be the elimination of opium as a government revenue. It is impossible to build a strong and healthy nation with this curse hung about its neck. General Chiang Kai-shek has allowed six years for the eradication of this evil in China. However, some of the leading Chinese citizens here, who are well versed in the financing of the nation, claim that this opium traffic could be outlawed at once provided the leaders so decreed. Other sources of revenue could readily be found, so that the national exchequor need not suffer. That would be the New Life Movement with a vengeance.

From Lanchow come reports of Protestant missionaries having evacuated the southeastern districts of Kansu, as a precaution against a raid of the reds from northwestern Szechwan province.

Canton-Hankow Railway Nears Completion

In April tickets from Hankow to Canton will be sold to the public on the Canton-Hankow railway. The short distance of road not completed will be handled by buses, operated by the railway. It is estimated that the entire trip will not take more than three days and the minimum fare will be $30. Naturally Hankow business men are looking forward to the completion of this line with much interest, and if the Chengtu-Hankow railway becomes a living reality in the not too distant future, Hankow may yet become the Chicago of China, and an almost forgotten dream actually begin to take on flesh and blood.

Honan More Peaceful Than Any Time Since 1912

One of the highest officials in Honan in an interview stated that the province at present enjoyed a greater measure of peace than at any time since 1912. With the splendid crop last fall everything would be in fair good order, were it not for the Yellow river. However, competent Chinese and foreign engineers are busy working on the problem of flood-prevention. At present the Yellow river is dangerously high and effective measures are being taken to alleviate the damage done. However, far-reaching projects for taming the river are both expensive and protracted, but that does not deter the plucky officials in Kaifneg from studying the problem from every angle, seeking a permanent and fundamental solution.

Moreover, Honan is pioneering in a reform of the land tax. If this can be readjusted, the matter of financing federal and provincial projects will be a simple matter. Once the element of "squeeze" has been eliminated, it only remains to find the most feasible scheme for the taxing of the people in any given area. In the Honan provincial treasury they have got rid of the great bulk of "squeeze," for which they are to be congratulated.

Hankow, March 25, 1935.

Mr. and Mrs. Frencham Not Murdered by Communists

Previous reports that Mr. and Mr. S. C. Frencham, British missionaries stationed at Nancheng, Shansi, had been murdered, were belied by the fact that they arrived safe and well at Nanchung March 25, after having been in the hands of Communists since Feburary 2. Their release was apparently obtained after the troops of the Central Government had recaptured the city of Ningkiang.

Spanish Priest Released After a Year's Captivity

Belated news from Kiangsi states that Father Cyprian Bravo, a Spanish Domincan, was released late in February, after having been in the hands of the Communists for over a year. When the Reds holding Father Bravo were being hard pressed by Cantonese soldiers, the chief Communist gave him $5 and a pass to take him safely through Red territory.

Chang Kai-shek Issues Ordar Against Accepting Bribes

Acceptance of bribes or "secret commissions" of whatever nature by any official responsible for the purchase of arms and military equipment, will be punishable by court martial, according to an order of the Ministry of War to the various military organs under its direct jurisdication issued at Nanking March 23 on the telegraphic instructions of General Chiang Kai-shek. Though the amount of the bribes accepted by officials in charge of purchases might not have been considerable, the order points out, yet, because of this irregularity, inferior equipment has often been passed; in some cases, the equipment could not even be used.

A New Angle to the Campaign Against the International Savings Society

A recent telegram from Nanking stated that it has been proposed by the Ministry of Finance that all the deposits held by the International Savings Society and other banks that conduct prize savings, should be taken over by the Trust Bureau now being organized by the Central Bank. Following the taking-over of these deposits the International Savings Society and a few other banks dealing in prize savings would stop such accounts at once. The deposits thus transferred to the Trust Bureau of the Central Bank would be withdrawn to the depositors at the end of the term as originally determined, on a prize saving basis. This proposal, however, the telegram added, has not been definitely decided upon, pending further negotiations with the banks concerned.

Soviets Plan to Build New Railway Between Baikal and Amur Regions

(By The Review's Harbin Correspondent)

ONE of the many ambitious plans of Soviet leaders for the opening up of Siberia is the projected construction of a trunk railway parallel to the existing Trans-Siberian. It is the so-called B.A.M. or "Baikal-Amur" Railway, references to which have on a number of occasions been made in articles in *The Review* dealing with development projects in Siberia. For some time past, I have made this question a subject of special study; I have talked with persons—Soviet citizens and foreigners alike—in a position to give information on this plan; lastly, I have collected all reports available on the subject, and out of much conflicting evidence, I have made out an approximate course of the railway in project.

To begin with, there is no unanimity of opinion as to where the western terminus of the railway will be. According to some reports, most frequent of all, Lake Baikal will be its western terminus; some say that it will be on the northern end of the lake; others aver that it will start from Bargusinsk, on the eastern shore of the lake. However, there are other reports to the effect that the new railway will branch off from the Trans-Siberian somewhere between Tomsk and Irkutsk. Here, too, there is a great divergence of opinion; according to one report it will branch off near Balagansk, and, after crossing the Lena River near Kachuga, it will come out to the northern end of Lake Baikal; another report has it that the new road will branch off from Kransnoyarsk, or even from a point still further to the west. However, in view of the fact that the country to the west of the Baikal represents a most difficult terrain for building a railway, and offers no visible economic or strategic inducement, it seems likely that this section of the railway will be built late, after the completion of the Baikal-Amur section.

Map Showing the Probable Route of the Proposed Railway Line Between the Lake Baikal and Amur Regions.

As said, two points on the Baikal vie with each other in being the western terminus of the B.A.M. Railway—Dagai and Bargusinsk. Dagai is a small village, lying near the confluence of the Verhneya Angara River with the Baikal. Bargusinsk is a small town on the eastern shore of the lake, connected with the Trans-Siberian Railway by a highway, at present, good only for native carts. In view of the plans, broached now, to continue the B.A.M. Railway westward from the lake, it must be admitted that Dagai seems to be the most likely place to be its western terminus. In any case, the line will run, according to present plans, along the Verhneya Angara River. At a distance of about 300 miles from Dagai, the railway will cross the Yablonoi Mountains, which—as the Soviet reports have it—are not of great elevation here. Consequently, they hope that only a few tunnels, if any, will have to be bored.

Once having crossed the Yablonoi Range, the line will have come into the basin of the great Lena River, that empties into the Arctic Ocean, and which collects its water from an area as big as that of the United States. Then, the line will have penetrated into the land of Yakuts, Tunguses, and similar tribes, inhabiting the north-eastern corner of Siberia, and hitherto cut off from Siberian cultural and industrial centres by the utter lack of facilities for communication. Here, with the exception of a few old fashioned, paddle-wheel steamers, still plying along the Lena and its greatest tributary—the Aldan—the communication is possible only by means of horse, reindeer, or dog, in the order given as one would move from the south to the north. However, judging by present plans, the B.A.M. Railway will touch only the southernmost corner of this vast country, namely, the Vitim and the Aldan gold mining regions; so, its effect on the welfare of these tribes seems to be rather remote.

The Vitim River, a tributary of the Lena, which will ultimately be reached by the new railway, is famous for the fact that it is a seat of the Lena Goldfields, which have come into some prominence owing to a dispute between the Soviet and British interests about the concession rights. The Goldfields are situated approximately in the middle course of the river, around the town of Bodaibo, which is a distinctly mining town, with a population of about 15,000. In pre-Revolutionary times, the mines were regarded as the principal source of Russia's gold, but now the output is believed to have considerably receded.

Inasmuch as the Vitim River is navigable up to Bodaibo, the connecting of this town with the Trans-Siberian by a rail line will have far reaching consequences not only for the Lena Goldfields, but for entire basin of the Lena River, as well. Then, it the will be possible to move cargoes, in the summer, from Bodaibo to the interior of the Yakut Republic, whereas this transport is now being done from Irkutsk to the upper reaches of the Lena River overland by carts or motor trucks. It is reasonable to expect that, at some future date, a branch line will be built from Bodaibo down the Vitim to the Lena, this one being extended up to Yakutsk, the capital of the "Republic." The distance between Bodaibo and Yakutsk being about a thousand miles, over a rough country, it is well to presume that, however, many a decade will have elapsed before the scheme materializes.

According to present plans, from Bodaibo the line will be extended eastward, towards the upper reaches of the Aldan River, a tributary of the Lena, where many mines, richly endowed with alluvial gold, are situated. To cross from the Vitim system to the Aldan system, the railway will have to pass through a very mountainous region, forming the upper reaches of the Olekma and the Aldan rivers, a country hitherto unknown and about which there exists, most certainly, even no reliable map. In view of this situation, the surveying of the proposed route of the road will require the labor of several parties at a time, the progress of which will undoubtedly be handicapped by countless streams, intermingled with marshes and tangled woods. However, in view of the fact that the Aldan gold mines are situated rather to the north, at a distance of several hundred miles from the shortest way, it is reasonable to suppose that the line, after having crossed the Olekma River, will spurt in a south-easterly direction, towards the Brianta, the tributary of the Zeya, on this side of the Yablonoi Mountains. Then, a branch line will have to be built along the Timpton, a tributary of the Aldan, where the most famous Aldan gold mines are situated. The accomplishment of this task will, again, require years of hard labor.

The country from the Vitim to the Zeya represents one disheartening picture of rugged, snow capped mountains, covered by tangled, almost impenetrable woods (*taiga*), mingled with marshes and rivulets, where human dwellings, and those only of Siberian nomadic tribes, are rare and far between. To this, one should add

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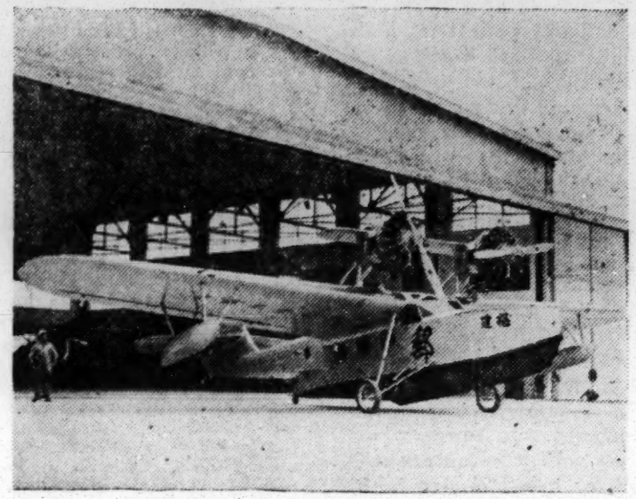

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the severe climate, which does not allow agriculture, nor industrial cattlebreeding. The country is said to be devoid of any population except a few families of Tungus tribesmen, all reindeer herdsmen, subsisting by hunting and fishing (mostly by hunting).

The same picture of cheerlessness prevails on the southern slope of the Yablonoi Mountains, where some signs of life are to be met only at gold mines; otherwise, in the sea of mountains and forests. These gold mines are scattered here and there along the Zeya and its tributary, the Selimji, both in Amur Province. According to present plans, it appears that, having crossed the Yablonoi Mountains at the sources of the Brianta, the line will follow the Zeya River towards its reaches, and thence spurt southward, towards the sources of the Selimji, to serve gold mines, scattered here in abundance. The country in no way differs from that on the northern slope of the Yablonoi Range. The Selimji gold mines represent a better sight in that they are more numerous and have more attributes of culture, as telephone and a motor car highway, both laid down by the Czarist Government in the high-day of the gold-rush in the Selimji valley.

From the Upper Selijmi, it is possible to reach, after crossing a mountain range of considerable height, the Bureya River, in the sources of which are situated the Neman gold mines. The country from the Bureya to the Amur, to the north of Khabarovsk, is also a sea of endless hills and forests, practically without any population worth speaking of. Only as an exception, a trapper, dealing with aborigines, may encounter isolated groups of Golds, Samaghirs or Neghidales, all reindeer herdsmen, living by hunting and fishing, or a Yakut trader blazing his way across the *taiga* on a caravan of reindeer. It is amazing that this small tribe of Yakuts, inhabiting the northeastern part of Siberia right up to the Arctic Ocean and Bering Strait, has spread its influence down to the Amur. In fact, their language is lingua franca for the most for tribes inhabiting this part of Siberia.

Two versions exist with regard to the eastern terminus of the proposed railway—(1) that it will, after touching the Neman gold mines, extend towards the lower reaches of the Amur, ultimately reaching Nikolaevsk-on-the Amur,in which case it will most certainly run along the Amgun River, also dotted here and there with gold mines, and (2) that, from the Neman gold mines, it will head directly towards Komsomolsk, a new town on the Amur, situated some 100 kilometers to the north of Khabarovsk. Komsomolsk is an important industrial centre of the Soviet Far East, and is said to have a population of 30,000. The Japanese reports have it that the town has an important dockyard, turning out submarines, destroyers, and torpedo-boats.

This is one of the most ambitious plans one has heard of in this age of fabulous schemes and projects. Personally, I doubt whether the entire plan can ever be accomplished as planned; it seems to me that, at least, three-fourths of the plan is impracticable, and that, therefore, it will have to be modified sooner or later. The route to be followed by the new railway passes through a very mountainous region, with countless streams, marshes, and hills, all covered by woods of the most distressing nature; the country is denuded of any population worth mentioning, except a few gold-fields, which could be reached by less expensive means of communication. Extending for about 1,800 miles from Baikal to Komsomolsk, the railway will pass through a very rugged country, very similar in character and geological formation to the Canadian Rockies in Yukon or in the northern part of British Columbia, so that it seems to me that the part thereof extending from the upper Zeya to Komsomolsk is likely to be dropped altogether. I am sure that only the surveying of the road, if it will be done scientifically and not off-hand, as the Soviets seem to be accustomed with everything, will require several years to accomplish. However, the Baikal-Bodaibo and the Bodaibo-Timpton sections of the railway, though passing through a similarily wild country, seem to have definite economic inducements, therefore it is reasonable to expect that, after a decade or two of continued efforts, these sections may ultimately be completed. The easiest of all will be the construction of a rail line from Khabarovsk to Komsomolsk, which will undoubtedly be laid down in the near future. As is seen, the construction of this section will not mean the commencement of work on the grandiose scheme of the Baikal-Amur Railway. Eastern Siberia is not, after all, a prairie or a Manchurian plain, wherein you could lay down roads this or that way with ease. Here one speaks in terms of hundreds of miles, and that requires years of hard labor and vast national resources.

Whether work actually has been started on the B.A.M. railway is not known. The reports may have been intended to impress the gentlemen in the Japanese General Staff that the Soviets are fully alive to the possibility of losing the Amur Railway, and that they will provide against this eventuality. But it is questionable whether it would serve the purpose, for the Japanese happen to have a pretty clear idea of the country and the difficulties it represents for building a railway. In 1919, a certain unit of their troops went as far north as Chekunda, on the Bureya River, and carried out considerable surveying, the results of which have not of course been lost in the archives of the General Staff. The plan may be too fantastic to be taken at face value and may have very meagre chances of being carried out in full. Before it could be accomplished, either the Red Army will be marching down the Manchurian plain, in which case the plan will be dropped altogether, or the Soviet regime will have disappeared in Russia.

Harbin, March 10, 1935.

China and a Foreign Loan

BY PAUL K. WHANG (汪仲芳)

CHINA'S financial illness has seemed to cause a great concern to many of the leading countries in the world. Japan, in spite of her mounting military expenditure and the difficulty of making both ends meet, has offered China a big loan as a measure to bid for China's friendship. Close upon the heels of the Japanese offer, Britain, fearing that the unilateral Japanese loan "would inevitably lead to Japanese control of China", is believed to have approached the United States with a proposal for an international loan as a means to forestall Japanese attempt, although this has now been denied by the officials of the British Government. China, being very poor, is over-pleased at finding that her friend and enemy have vied with each other in giving her a helping hand at the time of her financial distress. But her poverty and her dire need of assistance have not blindfolded her from perceiving that these competitive offers are not prompted by the motive of altruism, but actuated by the desire of extending their respective influences in China.

Whether this foreign loan will ever materialize, only time can tell. The whole question seems to hinge upon the attitude of the Japanese Government. If Japan is willing to withdraw her bid and accept the British proposition, an agreement can be easily reached among the countries interested in rendering financial assistance to China. On the other hand, if Japan insists on pursuing her own course, this proposition of international loan will not go farther than the stage of empty talk. In view of Japan's own financial crisis and her inability to make a big loan to China without first borrowing from America and European countries we have reason to believe that Japan will sooner or later accept the British proposition, if she is given to understand that the American and European money markets will be definitely closed to her in case Japan should extend a unilateral loan to China. The present activities of the American, British and Japanese ministers in China indicate that they are now negotiating among themselves and with the Chinese Government for the purpose of working out a formula which will be acceptable to all the parties concerned.

Will Foreign Loan Be Permanent Cure?

That China needs a foreign loan can not be gainsaid. Her financial ills have come to such an acute stage, that domestic assistance, even if it can be enlisted, can no longer give her the necessary relief. With the depletion of silver stocks, the foundation of the monetray structure is shaken and on the verge of collapse. The bankers, in order to protect their own interests, compete with each other in hoarding the white metal and curtailing credit accommodations. The business men, who depend upon credit accommodations to carry on their business, find themselves in a precarious position and, in many cases, have to give up their business. The bankruptcy of commerce and industry will in turn affect the financial market. Thus the vicious circle comes into play, which will lead to the inevitable doom. In this circumstance, every-body loses confidence and comes to the belief that this crisis can be only averted unless a foreign loan can be secured. Even Dr. H. H. Kung, Minister of Finance, has frankly admitted that a foreign loan is desirable, "to relieve the financial situation and stabilize the market."

That a foreign loan to China at the present time will "relieve the financial situation and stabilize the market" admits no doubt, if the proceeds of the loan can be totally applied to the purpose of currency adjustments. But we must hasten to ask if this measure will prove a permanent cure to China's financial ills. Before we try to answer this question, we must first diagnose her symptoms, and examine her case in its true perspectives. Just as in the case of the disease of a human body, China's present financial ills have originated from a cause which has been long forseen by far-sighted financial doctors. What is this cause? It is no other than the unfavorable trade balance, which amounts to between $500,000,000 and $600,000,000 every year. So long as this cause remains, China can not by any means prevent the outflow of the last ounce of silver she possesses and escape from the present financial crisis. Even if a foreign loan of as much as $2,000,000,000 can be secured, this huge amount would only enable China to continue the unfavorable trade for three or four years at the present rate. At the end of that time, China's position will be just the same as it is today, while the burden of the nation will have to be considerably increased.

From the above, it is evident that a foreign loan will not prove a permanent cure, but only postpone the present crisis for an even more acute crisis in the not distant future. Moreover, if the countries interested in this foreign loan should rule that a portion, if not all, of the proceeds should be expended on purchasing either capital goods or raw materials from their respective countries, the adverse trade balance well be further aggravated. Therefore, a foreign loan, at best, is but a temporary measure. While we may be badly in need of a temporary measure to give us a breathing space, we, however, should not forget to seek a permanent cure.

In this connection, it has been suggested that China, being an agricultural country, should improve her agricultural methods, so as to make her sulf-sufficient in so far as agricultural produces are concerned. To that end, foreign expert technical assistance should be sought to help the farmers in changing their traditional agricultural methods and increasing the production of their labor. It has been also suggested that China's inadequate transportation facilities have been a contributing factor to her present crisis as a result of the maldistribution of produce, and therefore the foreign loan, if secured, should be spent in road-building, railway extension and improvements of waterways.

Doubtless, the improvement of China's agricultural methods will increase her productions, thereby making the importation of foreign rice, wheat and cotton unnecessary and reducing the adverse trade balance. Likewise, the improvement of her transportation facilities will facilitate distribution of her produce and "bring immediate benefit to large areas in China." But these measures are long and difficult tasks, and can not bring immediate relief to the present crisis. All these measures should be given attention and adopted, but in the mean'ime, we must give our attention to a remedy which can give us an immediate result. At the present time, we can not afford to wait for five or ten years to extricate us from our present crisis, which has already reached its very acute stage, and we must seek a remedy which is speedy but permanent in its effect.

"Buy Chinese" Movement Not Feasible in Practice

Of all the remedies, the most effective one is to launch a vigorous "buy Chinese" campaign among the Chinese people. If every Chinese can be educated to buy native goods in preference to foreign commodities, the sale of native goods will be naturally increased and the importation of foreign commodities will be decreased. The increase in the sale of native goods will promote the growth of native indutries, give employment to the unemployed and revive business; while the decrease in the importation of foreign commodities will tend to balance China's foreign trade and put a stop to the outflow of her white metal. Both of these effects will help in "relieving the financial situation and stabilizing the market."

This measure is indeed a real and fundamental solution of China's financial difficulties, but it must be acknowledged that it is not feasible to carry it into practice. For decades, a large majority of our people has formed a habit of using, wearing and eating imported commodities, and it is not expected that this habit can be changed overnight by means of patriotic appeals. In saying so, I do not mean that Chinese people are devoid of patriotic feelings but wish only to emphasize the fact that a habit, once formed, is very hard to be eradicated. Therefore it is exceedingly doubtful that the "buy Chinese" campaign, no matter how vigorously it is pushed, can bring an immediate result, as it is expected.

As a supplementary measure to the above, I am firmly of the opinion that the Chinese Government should in the meantime restrict, if not totally prohibit, the importation of certain foreign commodities, which can be easily substituted by native goods and which are not necessary to our daily livelihood. This restriction should be applied especially to those commodities which are generally classified as luxuries. It has been known that a large volume of our imports is of no necessity to our people, and therefore the restriction put upon these commodities will not bring hardship to our life. This measure will not only force our people to buy either native goods or nothing, but will also greatly reduce the adverse trade balance.

This measure may sound too radical to be considered by the present government officials, who have no mind whatsoever to incur the displeasure of foreign countries, but its good effect upon the country can not be disputed. But at this time of acute business depression, when every country in the world has become so self-centered as to try this or that national recovery policy without paying the least consideration to the interests of other nations, why should China not adopt some measure to preserve her national existence? In a word, a foreign loan may be desirable, but it is not a permanent cure to China's present financial ills. As a matte. of fact, any measure without giving consideration to the removal of the cause of the present ills can be neither permanent nor effectiver

Shanghai, March 25, 1935.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	▲PUKOW	1.20	1.40
16.54	16.57	▲LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05		▲PEIPING	▲	22.00
13.27		▲CHANGSINTIEN	▲	22.48
9.54		PAOTUNG		2.23
5.50		SHIHCHIACHWANG		6.28
2.19		SHUNTEH		10.01
19.27		SINSIANG		16.45
16.43		CHENGCHOW		19.26
13.59		HSUCHOW		22.08
12.16		YENCHENG		23.51
9.58		CHUMATIEN		2.34
6.16		SINYANG		6.01
3.36		KWANGSHUI		8.36
22.45		KIANG AN		13.15
22.30		HANKOW (Tachimen)		13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.36	—	▲HSICHIMEN	—	16.48
8.06	8.16	▲NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	▲HSUCHOWFU	—	21.10
0.57	1.17	▲SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	▲TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	▲SHIHCHIACHWANG	—	7.58
18.14	18.16	▲TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.

2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.

4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

The Mandated Islands

BY C. Y. W. MENG (孟長水)

ONE of the most difficult and perplexing problems which is facing the world today, and which has much to do, not only with the situation in the Far East, but also with the peace of the world, is the problem of the Mandated Islands in the Pacific. Many questions have arisen as a result of Japan's withdrawal from the League of Nations about two years ago. They are: Will Japan return these Islands to the League? Will the League insist and enforce the return of these Mandated Islands? Will the other powers having vital interests in the Far East acquiesce and permit the Japanese to hold and fortify the Mandated Islands; or take action in the opposite direction? Before attempting to discuss these questions, we prefer to present some of outstanding facts of the situation.

Mandatory System—Its Background

As observers will remember, both at the beginning of as well as at the close of the World War, there was a scramble for the German oversea possessions. The Anglo-Franco secret agreement with regard to the Territory of Togo in Africa was one; the Anglo-Franco secret Agreement relating to the German colony —Cameroun—in Africa was the other. The Japan-4-Powers (Great Britain, France, Russia and Italy) "understanding" regarding German territories in Shantung and the German overseas possession north of the Equator was the third.

But the famous "14-Points" on "racial self-determination" enunciated by the late President Wilson in his direct opposition of the "third step"—the immediate annexation of the German territories and colonies—put an end to the "scramble". Through the assistance of Lloyd George of Great Britain, and General Smut's famous "practical suggestions" (Gen. Smuts was then the delegate of the South African Federated States), and through revision and adoption of the "Cecil-Millller Draft", and the "Hurst-Miller Draft", the "Mandatory System", the newest system of this kind in international law, was at last brought into existence to save another critical situation after the War. The German territories and colonies were not to be returned to Germany; they were not to be annexed by the victors; but were to be controlled by the League through its appointees or mandatories.

There are quite many advantages of this system, as for example the opportunity for the League to exercise supervision over the administration of the mandated territories through the mandatories; and the avoidance of international complications and difficulties in the administration, etc.

Article 22

In providing the general pricinples of the Mandate System, Article 22 of the Covenant of the League of Nations reads *inter alia*:—

> "Other people, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscence and religions,subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defence of territory, and will also secure opportunities for the trade and commerce of other Members of the League.
>
> "There are territories such as Southwest Africa and ceratin of the South Pacific islands, which, owing to the sparseness of their population or their small size, or their remoteness from the centers of civilization or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory,subject to the safeguards above mentioned in the inerests of the indigenous population.
>
> "In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committeed to its charge.
>
> "The degree of authority, control or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.
>
> "A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories, and to advise the Council on all matters relating to the observance of the mandates".

Mandated Territories, Not Annexed Territories

From the above brief historical sketch, and the meaning as well as the spirit of Article 22 of the Covenant, it is very clear that the Mandated Territories are not and could not be regarded as territories "belonging to the victors". By creating the "Mandate System", no less than 6,500,000 Arabians, and 11,000,000 Africans were merely entrusted to the administration of some advanced nations—or put in other terms, the "Sacred Trust of Civilization;" while the League still assumes the full responsibility of protection of these people. So, Article 22 requires the Mandatories to submit "annual reports to the Council"; and confers the power on the Council and Permanent Mandate Commission to exercise supervision over the mandatories. So the "Mandate System" is, after all, only another form of "tutelage", "trustee-ship."

Thus Monsieur Belichet, a well known jurist in France, well put it when he said that the Mandated Territories are but "non-age states", in the same sense as a non-age person in private law. That is, before his maturity, he needs a guardian to take care of family affairs. Dr. T. J. Lawrence, another jurist of international reputation, in discussing the charcteristics of the Mandate System chracterized the Mandatory of the Mandate A, as an "adviser"; of Mandate B, as an "administrator"; of Mandate C, as a "ruler", subject to the provisions of Article 22 of the Covenant.

Status of the Inhabitants

Regarding the "national status of the inhabitants of B and C Mandated Territories, the Resolution adopted by the Council held on April 23, 1923, reads *inter alia*;

> "The status of the native inhabitants of a mandated territory is distinct from that of the nationals of the Mandatory Power and cannot be identified therewith by any process having general application.
>
> "The native inhabittants of a mandated territory are not invested with the nationality of the Mandatory Power by reason of the protection extended to them". (See: League of Nations: Official Journal, 1923, P. 604.)

So, we believe, the facts are very clear and the Mandatory could now claim that the Mandated Territoris "ceded territory."

Japanese Arguments

But the Japanese jurists argue that the so-called Mandated Territories are really "ceded territories", and they present, in short, two arguments, as follows:—

Frist: By virtue of Article 119 of the Treaty of Peace, which provides "Germany renounces in favor of the Principal Allies and Associated Powers all her rights and titles over her oversea possessions", Japan was entitled to the German territorial possessions.

Secondly: Before the League's Covenant was agreed upon, two Agreements dated May 6, 1919, and May 30, 1919, respectively on the division of the German territories and colonies, were agreed upon, so the German territories and colonies were in fact already being divided by the Allies, and the League had no right to interfere.

The Japanese Militarists still present these arguments today to oppose the return of the Mandated Islands to the League after her withdrawal!

But we could easily refute these arguments. Article 119 of the Treaty of Peace though it provides "in favor of the . . . ", nevertheless does not contain such words as "ceded to . . . . " Nor could such an interpretation be inferred.

Secondly, the Covenant is a formal international Agreement whose validity is, of course, far stornger than any private treaties among the nations. In case of conflict, the Covenant should prevail, in very much the same way as the national constitution should prevail over the state laws in case of conflict. Should the Japanese claim the "priority" of the "May Agreements", why should they sign the Covenant afterwards?

Thirdly, the creation of the "Mandate System", and the provision of Article 22, the motives of which are to prevent the German territories from falling into the possession of any powers; otherwise: What is the use for the existence of Article 22?

Japan's Breach of Her Promises

As expressly stated in Article 22 of the Covenant, the subsequent Mandate of December 17, 1920, and the American-Japanese Agreement of 1921—through which Agreement America agreed to Japan holding of the Mandate Islands—the Mandatory should observe "prohibition of abuses, such as the slave trade, establishment of fortifications or military and naval bases, etc." But a review of the past Japanese administration of the Mandated Islands would reveal to us that Japan has totally violated these Agreements, and has completely broken her promises.

It is now openly known that Japan has already built a strong "submarrine base" near Marshal Island; another strong fortification on the Bonin Islands. The construction of a big fuel storage reservoir and an airdome has also been completed. Japan has been doing this in total disregard of her treaty obligations and, apparently, with her own motive in mind!

Japan's "Life-Line" in the South

It is now customary that whenever the Japanese want to occupy a territory, the Japanese always regard such a territory as the "life line" of Japan. So we hear very often such expressions in Japan: "While Manchuria is Japan's Life Line in the North, the Mandated Islands are Japan's Life Line in the South. So, beside having to strengthen our Life Line in the North, we have to pay attention to the 'security' of our Life Line in the South. From the naval standpoint, these Mandated Islands are but the first line of defence' to Japan", etc.

It is not necessary for us to discuss here and point out the fact that these Islands, small as they are (the total area of these Islands

is smaller than that of Nanking), when fortified and armed, are of great military usefulness and significance. The situation is particularly serious in view of the fact that while Japan has fortified the Mandated Islands, America has practically made Guam and Philippine Islands" defenceless", and Great Britain has also left Singapore very poorly defended. Japan is now in a far stronger military position than any of the Pacific powers! So one German strategist, on hearing of the failure to fortifyGuam at the conclusion of the Washington Conference, well said that "Japan could now attack or defend herself at will. The Americans themselves were also aware of their blunder. Many of the American observers characterized the Washington Treaty as a destruction of the "Pacific Quadrilateral strategy of the Americans"!. So by adopting the 5 :5 :3 ratio, it does not necessarily mean that Japan was put in an inferior position, or was virtually "defeated." The promises from the powers not to fortify their Pacific possessions constitute a far greater "victory" for Japan, the significance of which is now realized.

Revival of War Competition in the Pacific

Being another "life line" to Japan, it is sure that Japan would hold the Mandated Islands, in spite of the world opposition. So, Japan is willing to take $3,000,000 out of the treasury to carry on the administration and to fortify the Islands. But on the other, hand,it is equally clear that Guam or Philippine Islands, or Singapore etc., are also the "life line" or "first line of defence" to America and Great Britain respectively! When the Japanese go on with their military preparations in the Mandated Islands, they undoubtedly arouse bitter opposition from America and Great Britain, particularly the former, and at the same time intensify the military preparations among the principal powers on the Pacific Coast. Dr. Stanley Hornbeck, Chief of the Oriental Division of the State Deartment, on hearing of the Japanese withdrawal from the League, once was quoted to have expressed that the problem requires "serious consideration". The American chairman of the naval committee announced on November 28, 1934, that the American Congress was to approve the budget for the construction of battleships up to the treaty limit. Reports from London dated March 19, 1935, stated that "Great Britain has spent £7,500.000 on the construction of Singapore Naval base, and plans to invest another £7,500,000 in the Far East defence system". Germany, after being encouraged by the success of the Saar plebiscite, has abrogated the Treaty of Peace, and has announced that Germany would regain her formal possessions. So, we are returning to the old days when a huge portion of the national revenue was devoted to military preparations, and when the "naval race" was very keen, for no other purpose than the mutual destruction of humanity; and for no other reason than, due to the fact that one of the members of our world community has gone amuck and has become aggressive, and the others have to rise up to prepare themselves in anticipation of possible aggression.

In conclusion, whether the problem before us would be referred to the International Court of Justice, which is very unlikely, or whether the problem is a "spark" that may set the whole fire going, is certainly a problem which faces us during the year 1935.

Nanking, March 23, 1935.

Compulsory Physical Education for Kiangsu Officials Is Ordered

In compliance with an order recently issued by General Chiang Kai-shek, the Kiangsu Provincial Government has decreed that all public functionaries in Kiangsu province are required to undergo one hour of physical exercise daily after office hours. Those who have limb deficiency or above the age of 50 are exempt from the daily exervise. All others are requited to choose one of the following sports: Chinese boxing, riding, archery, track and field, basketball, soccer, tennis, volleyball and gymnasium acrobatics.

National Athletic Meet to Be Held in Shanghai Oct. 10

Plans have been completed for the organization of the Preparations Committee for the National Athletic Meet which will be held in Shanghai on October 10, according to Gunson Hoh, National Physical Director of the Ministry of Education.

Kho Sin-kei Proceeds to U.S. to Enter Davis Cup Competition

Kho Sin-kei, number-one Java netman, crossed rackets with Tsui Wei-pui, Hongkong's singles champion, Mar. 21 and came out an easy victor in two straight sets. Kho came on to Shanghai and departed on March 26 with Guy Cheng for the United States as China's representatives in the Davis Cup tournament against Uncle Sam's racquet-wielders.

Infant Mortality Drastically Reduces Fukien's Population

Li Tsu-yu, Provincial Commissioner of Civil Affairs for Fukien, when introducing a special proposal for maternity protection at Foochow last week, stated that the population of Fukien has decreased by one-half since the taking of the last census. The Provincial Government's recent census showed that the present population of Fukien barely exceeds 9 millions. The decrease is attributed to a high rate of infant mortality.

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Some Plain Speaking on the Present Far Eastern Situation

BY C. Y. HSIEH (謝志耘)

RECENT diplomatic maneuvers revolving around a possible Sino-Japanese rapprochement and a proposed international loan to China have once more brought into bold relief all the potent factors making for danger and catastrophe in the Far East. Of these factors the fundamental one remains the abject helplessness of the Chinese Government. The writer of this article is among the last to encourage a policy of reckless venture but one of the first to see the delicate position of the Nanking authorities. But that should not prevent him from asking a few questions of vital importance. He wishes to know if responsible national leaders have done their utmost in bringing about a complete and unreserved co-operation between Nanking and Canton. He also likes to know if they have realized that such a rapprochement only will be sufficient to effect a speedy suppression of the Communists and that anything short of that would merely result in playing hide-and-seek with the Reds. He feels it incumbent on him to suggest that the Nanking Government leave no stone unturned in marshalling all the ways and means of national self-help and in correcting the impression that Tokyo is being preferred to Canton as a potential ally. For if, indeed, we must surrender, why shouldn't we surrender first to our nobler aspirations for the understanding and support of our own brethren, before courting the doubtful and costly good will of our traditional enemy and despoiler?

What Is China's Policy To-day?

Time and again we have been assured by those in control of our foreign relations that our policy towards Japan has undergone no change. That seems all to the good. But just what is that policy? Is it the original policy of "resistance", or of "prolonged resistance" or yet again of "resistance on the one hand and negotiations on the other"? Certainly no one can say which it is; neither does he nowadays care enough about the whole business. All the indications have been that while resistance is nowhere in evidence, negotiations have been entered into with an avidity on our part that bespeaks of a cowed, broken spirit. And the undue importance attached to the movements of the arch-plotter Doihara is perhaps a sure index of the decline of our national morale.

Nations, like individuals, must have stout hearts to survive. In an age like that when everything humanity has deemed of value is fast crumbling, it behoves that while those of might count on that might, those not having that might should stand ready to shed their blood to deter that might. For a weaker party it is not his tears and bent knees which would arrest the hand of his stronger opponent, but rather that determination to make aggression expensive in terms of blood and gold which would call a halt to his contestant. For this reason a nation down in misfortunes should still preserve a minimum and irreducible sense of honor. Forfeiture of that sense would inevitably invite further abuses and depredations. It would bring contempt and disdain compared with which military defeats and territorial losses are comparatively mild disasters.

Plea for Moderation Will Be Misunderstood

To the Japanese Government and people no advice at present from a Chinese would be palatable, hence acceptable. A plea on our part for good will and moderation would invariably be taken as a sign of weakness or a trick for future revenge. To one thing, however, we must call the attention of our Japanese neighbors. After what you have done in this country since September 18, 1931, and so long as you refuse to retrace your steps, there is really no point in your hypocritical offer of a Sino-Japanese rapprochement. The Chinese Government may, indeed, under the pressure of circumstances, try to appear enthusiastic over such talks. But it can never mistake the state of Chinese public opinion, except at the risk of its own existence. It is futile to think that, after slapping a man in his face, you can get away with it by patting him on his head. In fact, to entertain such a thought was tantamount to adding insult to injury. The Chinese nation, down and unfortunate as it is, is not prepared to swallow its wrongs so readily.

The fuss about the Sino-Japanese rapprochement, then, was a sham. It was not destined to bear any fruit, but must subside as it has already subsided. In one respect, however, it was of especial interest to us and that is: The reaction on the part of British and American Governments revealed incidentally the low level to which Anglo-Saxon policy in the Far East has sunk.

The basic weakness of this policy is its persistent refusal to face the reality.—Both Great Britain and the United States have very tangible interests in this part of the world, although the "mother countries" are not geographically located here. Both will not withdraw from their present possessions—at least not for some time to come even in the case of the United States. And both had solemnly pledged themselves to a system of guarantees for their position as well as for China's. Yet repeated violations of this system which, though despoiling China of her sovereign rights, did not strike at British or American interests, have been suffered to go by unchallenged. On such occasions it has become a fashion to argue that when two neighboring countries have found it difficult to get along together and have made a muddle of the Fartern Far situation, it is no business of any third party to get into the fray. There was a convenient refuge in the contention that the American or British Governments do not own interests in the Far East vital enough to warrant effective action, or even a firm stand, towards the treaty breaker. This apathy is of course a stroke of national policy and as such is no subject for condemnation or commendation. But when the abetted aggressor got a little our of hand and was bold enough to threaten the interests of his very abettors, something miraculous happened. Disinterestedness was no more, and developments in the Far East became a matter of "deep concern" or "grave anxiety" to "His Majesty's Government" or to the Administration at Washington.

This inconsistency of attitudes must necessarily make for uncertainty and instability in the Far East. It constitutes a frank admission on the part of Western Powers that so long as their interests can be kept intact, the 9-Power Treaty may be broken with impunity. The abandonment of faith in the collective system and the capitulation to brute force, besides causing disappointment in China, cannot fail to inspire Japan's contempt for the moral standard of Western Powers and encourage her to tamper with those very interests which the said Powers have sought to protect by the policy of complaisance. Recent events have shown that Japan will by no means be too solicitous of the interests of other Powers once she succeeds in getting China under her thumb. To the American and British Governments, therefore, our suggestion is that more altruism and less cynicism will prove a sound policy after all, and that they will serve their interests best by forming with China a firm stand for upholding the 9-Power Treaty.

This last, hovewer, implies a prerequisite which does not exist. I mean Anglo-American co-operation. Some obervers of political affairs have taken Anglo-American concert so much for granted that to them my statement must sound rather jarring. But others who have followed events closely will perhaps agree with me that whatever the sentimental kinship between the Anglo-Saxon cousins and whatever their appapently common front in respect of some current issues, the hard fact is that the state of Anglo-American relations leaves much to be desired. In particular their lack of accord on the Far Eastern front has seriously damaged their erstwhile position and considerably lowered their traditional prestige there.

Ex-Secretary Stimsons Abortive Effort

Our story of disconcerted actions may appropriately begin with the abortive efforts of former Secretary of State Stimson. His declaration of the policy of non-recongition early in 1932 was a mild protest to Japan, one that was certainly not too much to expect from a signatory of the 9-Power Treaty. Yet Sir John Simon, with all his correct legal mind, could not muster enough courage to subscribe to that instrument and to other subsequent proposals for joint action, and resorted instead to un-called-for circumlocution to justify his inaction. Of this cleavage in the Anglo-American alignment Japan has taken full advantage, and if the apportionment of blame for the existent Far Eastern Situation must be made we do not see how Great Britain and the United States can escape a goodly share of it. Yet the gulf persisted so that when the preliminary talks on naval disarmament were held in London last winter Japanese negotiators again had the satisfaction of tackling with a divided front and occasionally driving a wedge between the two sister Powers.

If, during the early days of the Far Eastern crisis it was British sabotage which rendered Anglo-American joint action impossible, the subsequent tendency seems to indicate that the United States had taken the Stimson rebuff deeply to heart and had ceased to premise its Far Eastern policy on the doubtful support from Downing Street. The recognition of the Soviet Union formed in a sense a parting of ways and the launching of a big naval building program was an undisguised admission on the part of Washington that the policy of maintaining political equilibrium in the Far East under Anglo-American leadership had been given up. Even lately when such renowned and influential British statesmen as General Smuts, Lord Lytton and Lloyd George pleaded for Anglo-Amercian co-operation in the Far East, the United States have not recovered from the pain of disillusionment. For, although the remarks of these men left a "deep impression" on American officialdom, nothing definite and concrete has come to the fore. Moreover, when one read between lines the press reports on the recent interview between Sir Ronald Lindsay, British Ambassador in Washington, and William Phillips, the Under-Secreatry of State, over the proposed international loan to China, one wondered if the latter was not avenging Mr. Stimson's rebuff. Ill will was also let loose by Senator Lewis who, not contented with turning down the British proposal for a joint loan, referred in biting terms to the highly unpleasant problem of war debts between the American and British Governments. As things stand, not only is the loan a dead issue,

but any common action of the Western Powers under Anglo-Saxon initiative to help restore peace and stability in the Far East will be out of the question.

To sum up, the future of the Far Eastern situation will be largely determined by the following factors: (1) whether Nanking has got a stout heart and will successfully hold out against an almost irresistible temptation to legalize Japan's illegal gains in Manchuria; (2) whether Great Britain and the United States will discard their inconsistent policy, make amends for their erstwhile discord and combine to check Japan's unscrupulous aspirations for Asiatic hegemony; and, only when the above two questions may be answered in the affirmative is there any use in asking, (3) whether Japan will make a graceful retreat from her present impossible position and return to the collective system of consultation and good neighborliness?

The Far Eastern situation has deteriorated to such an extent as to become a source of great potential danger to world peace. But a much darker future is in store for it if statesmanship in the East and the West should remain blind to the fundamental axioms of national and international life and sacrifice lasting principles to temporary expediencies.

March 26, 1935.

Shanghai Foreign Municipality Taxes Not to Be Increased

The Foreign Municipality of Shanghai will not increase the taxes or rates during the coming year as had previously been indicated might be the case. At a meeting of the Finance Committee of the Shanghai Municipal Council the Treasurer and Controller outlined the main financial results of last year's working and also the position as regards the 1935 Budget. He proposed to recommend in due course that the Ordinary Budget for 1935 be finally balanced by appropriating a sum of $1,200,000 from General Reserve, thus eliminating any question of increasing the Municipal Rate which in his view would be impracticable at the present time.

British Barracks in Shanghai Are Infested with Bugs

The deplorable state of the barracks used by the British troops in the East and Far East, Shanghai included, was the subject of questions in the House of Commons Mar. 21. Douglas Hacking, Financial Secretary to the War Office, in reply to an interpellation, admitted that the problem was a most difficult one. He said that varying success had attended efforts to rid the buildings of bugs, and it would seem that the only satisfactory solution lay in the replacement of the structures and the modernization of old-fashioned buildings. This was being done as funds were available. In conclusion, he declared that extensive schemes were contemplated for China and Egypt.

Nanking Newspaperman Offers Finger as Gift to Japanese Militarists

With a dramatic gesture, the head of a large Chinese news agency, when speaking at the reception to Shinno and Tsukagoshi, the Japanese goodwill fliers, in Nanking on March 21, made a gesture to cut off his finger shouting that the fliers might take it back as a gift to Japan's militarists, according to a report in the *North China Daily News* on Mar. 25.

In the course of a welcoming speech the speaker praised the idea of goodwill flights, and then went on to say that China, while accepting those which promoted international peace, refused to accept those intended as aggression against other nations. He reiterated China's demand for the restoration of the North-Eastern provinces. In conclusion, he pulled out a handkerchief, and shouting that he had a gift for Japanese militarists, took out a knife and started to sever the first finger of his left hand. He was stopped before he could do himself any damage.

It is understood that the Japanese Legation will lodge a protest with the Chinese Government over the incident.

New Steamer Service Between Vladivostok and Shanghai to Be Inaugurated

The People's Commissariat of Water Transport announced in Moscow March 23 the opening of a new goods and passenger service between Vladivostok and Shanghai. Cargo and passenger steamers of the type of the *Anadyr* and *Suchan* will be used on this service. In the beginning of the service, steamers will make two journeys monthly between Vladivostok and Shanghai. This announcement coincided with a telegram from Amsterdam that the Sovtorgflot, or mercantile marine, is negotiating with Netherlands ship-owners with a view to purchasing a score of ships, including the whole fleet of seven vessels of the Netherlands Lloyd Co.

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M. T. Mag. 4-35 No. 4-35

British "Slate" Wins, But Chairman Arnhold at Foot of Poll

The elections for members (foreign) of the Municipal Council of the Foreign Settlement of Shanghai, held March 25 and 26, resulted in the "slate" as prepared by the British Residents Association and other British bodies being duly elected, but with several very sharp dents in it. The waning popularity of H. E. Arnhold, the present chairman of the Council, was shown by the fact that he stood at the bottom of the poll of the nine members who were elected, with 575 votes less than were polled for Mr. Yamamoto, who headed the list. Messrs. Liddlell and Franklin, the American candidates, received more votes that did four of the elected Britons. A. J. Hughes, who had served in previous Councils but not the present one, came only 151 votes behind Mr. Arnhold. He made a statement after the election that he was through with politics and that it was evident that few Japanese had voted for him. The Japanese, as for many years past, stood at the head of the ticket.

The vote was as follows:

		Votes.
T. Yamamoto	(Japanese)	1324
*T. Urabe	(Japanese)	1308
J. H. Liddell	(British)	1073
C. S. Franklin	(American)	1050
J. W. Carney	(American)	1044
*H. Porter	(British)	1024
*V. St. J. Killery	(British)	909
W. P. Lambe	(British)	828
H. E. Arnhold	(British)	749

*New members are indicated with an astersk.

The remaining candidates polled votes as under:—

A. J. Hughes	(British)	598
L. R. Hossenlopp	(French)	568

An unusual amount of correspondence appeared in the daily newspapers in Shanghai previous to the election, from which it might have been inferred that there was great interest being manifested in the election. The results proved disappointingly otherwise. A total of 1587 qualified votes was cast, just a little over 40 per cent of those on the roll. This year's vote was the lowest since 1932.

The principal British organ in Shanghai, the *North China Daily News*, lent its weight to the idea of presenting a "slate"—a somewhat unusual procedure in this community. The *N. C. D. N.* stressed the point that the British community showed too much apathy in the elections, a fact which, it may be mentioned, the voting confirmed, and which the campaign carried on by the *N. C. D. N.* did nothing to remedy.

There was also a lower Japanese vote than usual and this is explained by the fact that some of the more chauvinistic of the Japanese community had been agitating for more than two councillors, and when the Japanese "higher ups" turned thumbs down against the idea (probably as the result of a dicker with the British) they abstained from going to the polls. The *N. C. D. N.*, on the day following the election, printed on its front page, a long article by "Municipal Observer", in which a vigorous defense was made of the "vested interests". He argued that they had contributed to the solidity and growth of Shanghai and it would be absurd to have their affairs managed by people who had no stake in the city. The observer commented:

> "The British community in Shanghai cannot have it both ways. They cannot complain of lack of leadership and inaction if, when their accredited representatives, holding, as it were, a definite power of attorney, attempt to lead or take action. Even those who would probably support the ticket of the three organizations have shaken their heads to me and said:—'It ought to have been done differently. The community will not be driven—it refuses to be dragooned.' As I see it, the charge against the community is one of apathy. How is that apathy to be corrected if the issue is not plainly put before it by those who have good grounds for claiming a knowledge of the various factors involved?"

All the candidates contributed to the press a statement of their proposed policies. A. J. Hughes brought up in his correspondence the matter of the proposed increase in telephone rates. He questioned the fairness of the proposed method of obtaining the increase. A considerable part of the correspondence in the daily press criticized the idea of the presenting a "slate". One correspondent called the election a glaring farce. On this point one correspondent wrote to the *North China Daily News*:

> "What bunk, what stuff and nonsense? Ask any Trade Unionist whether he considers he is being dictated to when he is given a 'ticket.' Of course he does not. The ticket is given him by men whom he has appointed to produce that article. The Executive Committee of the three British organizations, as you have pointed out, are the men to whom we have given the job of producing the ticket, not expressly perhaps but by implication in the light of all the circumstances as detailed so patiently by you."

H. G. M. Woodhead, in his column in the Shanghai *Evening Post*, supported this view, by saying: "To describe this action as 'hole-in-the-corner work,' 'unsportsmanlike,' 'arbitrary,' etc., reveals a complete misunderstanding of the actual situation. The British Residents' Association was formed 'for the purpose of providing effective means of mobilizing and expressing British views on questions vitally affecting British interests in China.' The composition of the Council is certainly one of these interests. And if the American precedent of a preliminary 'straw vote' was not adopted for the selection of the British candidates it may be assumed to have been because it was not known that a sixth Briton would come forward."

A Chinese correspondent drew attention to the fact that the Chinese councittors were required to be residents of Shanghai for five years before being qualified to vote, and suggested that the same qualifications should be required of foreign Councillors.

Lord Lytton Says Cooperation With Soviets Is of Outstanding Value

Lord Lytton, ex-Chairman of the Commission of the League of Nations which investigated the situation in the Far East, in an interview with the *Pravda* correspondent in London March 20, said: "Peace cannot be secured by collective efforts without participation of the USSR. I therefore think that the entry of the USSR into the League of Nations has been a very important event. It should not be forgotten that the co-operation of the USSR in the Disarmament Conference was of most outstanding value."

"Pravda" Eulogizes Soviet Patriotism

In an article entitled "Soviet Patriotism," Moscow *Pravda* March 20 said:—"Soviet patriotism is the love of our people for their country, which has been won from capitalists and landowners by blood and iron; it is a fighting and powerful guard in the West and East; it is the devotion to the beautiful life which has been created by our great nation."

Troyanovsky and Hull Meet in Washington

The Soviet Ambassador to the United States, M. Troyanovsky, and Chairman of the Amtorg, M. Boyev, conversed with Cordell Hull, Secretary of State, in Washington Mar. 23. Mr. Troyanovsky stated in an interview that the conversation did not deal with the European situation.

Soviets Launch Drive Against "Bourgeois

The drive against the "bourgeois" elements of Moscow and Leningrad, recently undertaken by the Commissariat for Internal Affairs, having run its course, Charkow and Kiev are now receiving attention. Long lists have been drawn up of people said to be of "bourgeois" origin, who, according to the new passport law, have no right to live in cities. About 500 persons have already received notifications that they must leave within 48 hours for the provinces of north Russia.

More than a thousand aristocrats of the Tsarist regime were arrested in a round-up by the Soviet police last week. Among the prisoners are 42 princes who were deprived of their titles when the present order in Russia was established. The other noblemen include 33 counts and 75 barons, as well as 660 officers, many of them former generals. It is expected that most of the prisoners will be exiled to Siberia, there to spend the remainder of their lives. Fears of an uprising in connection with Germany's rearming is believed to be the motive for the arrests.

Three Soviet Youths Who Conducted Crime Club Are Executed in Moscow

A message from Moscow Mar. 23 stated that a gang of youths who had taken up a lawless life for the sake of excitement and who conducted a sort of crime club to train boys in the art of theft have been broken up with the arrest and execution of three of the ringleaders. The condemned youths were between eighteen and twenty years of age. At the trial, it was shown that the youths were not needy, but took up crime merely for the sake of "sport." The break-up of this gang has served to intensify the Soviet campaign against crime now being waged in all parts of the country.

M. Bogomolov Entertains Mei Lan-fang in Moscow

M. Bogomolov, Soviet Ambassador to China, entertained Dr. Mei Lan-fang Chinese actor, at a banquet at the Foreign Office, in Moscow Mar. 21. A large gathering of Soviet and Chinese celebrities was present, including Dr. W. W. Yen, Chinese Ambassador to Soviet Russia, Miss Butterfly Wu, and Mesdames Tsakhov and Konen, famous Russian actresses.

Tickets were sold out ten days ahead for the first Mei Lan-fang performance, which took place Mar. 23. Before the performance began, Mr. Cherniavsky, a member of the board of VOKS, greeted the theater audience and observed that Dr. Mei was not only a brilliant star of the Chinese theater but of the world theater. "The visit of Dr. Mei Lan-fang to the USSR," said Mr. Cherniavsky, "is an important link in the development of cultural relations between the great nations of China and the USSR." Professor Chang Pen-chun replied, saying: "We have met a warm and friendly welcome here. We hope that our mutual understanding will create a basis for cultural rapprochement between our nations."

Gen. Chiang Kai-shek's Mission in Szechuen

BY CHEN SHIH-MING (陳恩明)

WITH the arrival of Gen. Chiang Kai-shek, President of the Military Affairs Committee in Chungking on March 2, later joined by Madame Chiang Kai-shek who came up by boat, there has been developed a radical change in the political and military situation, and a great stir-up in general, that we can not let escape our notice. The province of Szechuen, as historians can tell us, was never visited in the past hundreds of years, by any first-class leader, whose position is comparable to the premiership of any modern country. Very important significance is, hence, attached to Gen. Chiang's presence.

To facilitate direction of the suppression of the evacuated red remnants is presumed to be the reason for his early, but not unexpected call. But those who are more familiar with the circumstances of this province can see that there must be something else that deserves his personal investigation and supervision.

First comes the problem of the regional garrison. This term, in the opinion of the writer, means that when a unit of military force is in occupation of a certain unit of geographical area, then all affairs—military and civil within that area—fall entirely under its sway. Gen. Liu Hsiang, the present newly-inaugurated provincial chairman, for instance, was ruling over Eastern Szechuen two years ago, having some forty hsiens (counties) within his control. He then enjoyed the privilege of appointing or discharging county-magistrates, collecting and disposing of local extra taxes, etc. despite that such should be exercised by Gen. Liu Wen Hui, then chairman of the province. This practice has long been a source of calamity to the people, for the latter, having paid their dues to the authority of that regimental zone, had to pay them again on their passing through another district outside of the influence of that power. Of course Gen. Chiang knew it, and it is his desire to see it abolished. Just how much he can accomplish along this line it is too premature to predict now. Recently Gen. Liu Hsiang, acting on the wish of the Marshal, ordered a general transfer of all district magistrates in the province, and in the execution of the order, Gen. Tang, who had been governing Chungking, was assigned to Whayang, near Chengtu, capital of this province, which belonged to the 29th Army, and left his post to be filled by Governor Mao, originally stationed in I-ping. In the meantime, response came from outside. Generals Yang Sen and Tien Soong Yao and the others had each sent a telegram to the provincial chairman, urging the latter to take over civil affairs over their zones. Gen. Liu Hsiang did not immediately change the men, but merely re-appointed them in the name of the provincial governmnet.

Businessmen's Burdens to Be Lightened

There is also a tendency to revise all the existing tax-rates except one that is being maintained by the National Customs House. Prior to Gen. Chiang's presence there had been in Chungking the Staff Corps headed by Gen. Ho Kuo Kong, despatched from Nanchang, and Commissioner Chen Shao-kwei, representing the Ministry of Finance. It seems all the above mentioned have something to do with Gen. Chiang's decision. It is learned from reliable sources that while complete abolishment of undue taxation is impossible at present in view of the fact that the surplus must go to pay the anti-red troops, concrete measures however, have been taken, so that hereafter the businessmen are only to pay one consolidated duty, at 20% less former rate, whereas they had to receive a bundle of receipts for the same quantity of merchandise handled previously.

Wherever Gen. Chiang is present, the programs of the New Life Movement are vigorously carried out. In the night of March 14 the citizens received an order that all public opium houses must be closed within 24 hours, and that addicts would be punished according to the strictest code, if they should not leave the poison in the immediate future. It is said that the income from the taxation from such a measure alone amounts to some one million and half dollars per year, and the anti-poison divisions under the Central Tax Bureau had to be closed as a result of the prohibition. General Liu Hsiang had long been desirous of seeing it stopped himself but as he was financially in distress during the past couples of years, he had hesitated upon and it was left for Gen. Chiang who exterminated it once for all.

At present we do hear talk of the removal of one's family to Shanghai or elsewhere due to the red menace. The exchange between Chungking and Shanghai abruptly dropped to such a minimum that it now only requires Chungking $1,040.00 to buy $1,000,00 of Shanghai currency, whereas it took sixteen hundred dollars to get the exchange last year. We people in Chungking have enjoyed a real new life. But the question is how long that life can be assured.

Chungking, March 25, 1935.

In the United States Court for China

In re. Last Will and Testament of FLORENCE VESTA FOBES, also known as FLO V. FOBES, Deceased

Cause No. 3832
Special Proceedings No. 1011
NOTICE
Filed at Shanghai, China, March 22, 1935.
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FLORENCE VESTA FOBES, also known as FLO V. FOBES, deceased, to present the same with vouchers to the undersigned on or before September 30, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

VESTA SAUNDERS,
c/o Dr. George Sellett,
354 Hamilton House,
Shanghai, China.

Shanghai, China.
March 22, 1935.

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AND THE CRISIS OF 1935-1936

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C.N.A.C. New Plane Flies to Chungking in Trial Trip

Several satisfactory test flights were made over Shanghai Mar. 24 by the China National Aviation Corporation's giant tri-motored *Ford* plane. The plane left for Chungking to inaugurate the Chung-Kweiyang-Yunnanfu air service March 24, piloted by F. Nelson, with D. Wong co-pilot, and J. M. Loh as radio operator. Officials of the C.N.A.C. were passengers on the flight, among them being H. M. Bixby, C.N.A.C. director and vice-president of Pan-American Airways; Kai Chun, C.N.A.C. director; K. I. Nieh, assistant operations manager; and H. Lyons. If weather permits, the inauguration will take place on April 1, after which there will be a weekly air service linking up the three southwestern provinces of China. The tri-motored *Ford* plane is the largest of the C.N.A.C. fleet and each of its motors develops 450 h.p.

The plane arrived at Chungking at 4.40 p.m. Mar. 25 making the trip in eight hours and 20 minntes actual flying time and averaging about 135 miles per hour while flying.

"Asahi" Fliers Feted in Nanking and Shanghai

Chinese official and newspaper circles lavishly entertained Momosaburo Shinno, pilot, and Kenji Tsukakoshi, mechanic, of the *Asahi* goodwill airplane, which arrived in Nanking Mar. 20 from Tokyo. After calling in Yakichiro Suma, Consul-General, they proceeded in Mr. Suma's car to the Sun Yat-sen Mausoleum, where they deposited a wreath on the tomb of the Chinese revolutionary leader. They then visited Wang Ching-wei at his residence in the Railway Ministry and also made other official calls. They came down to Shanghai the next day. Mayor Wu Teh-chen of Greater Shanghai, entertained them at a dinner.

The Shanghai office of the *Asahi* gave a luncheon at the Rokusan Gardens in honor of the flyers.

The *Asahi* fliers had intended to hop off from the Lungwha airdrome near Shanghai for Japan in the morning of March 24, but owing to bad weather, postponed their start until the following morning.

The *Asahi* plane made a perfect landing at the Joto airport at 3.21 p.m. March 25, having made the trip in the fastest time (five hours, 21minutes) ever achieved by any form of transportation between Shanghai and Osaka. It was reported erroneously that this trip was the first direct connection by air between these two cities. This is not quite correct, as five American army planes made this flight, without accident, from Osaka to Shanghai, on a round-the-world flight about 10 years ago. As there was no wireless control on planes at that time, several American destroyers were stationed between here and Nagasaki to enable the U.S. planes to keep on their course.

Air Service Between Tokyo and Manchuria to Be Accelerated

Acceleration of the commercial air transportation service between Japan and Manchukuo has been decided by the Japan Air Transport Co., beginning on April 1, to commemorate Emperor Kangte's visit to Japan.

Japanese Merchants in Netherlands India Ask for Air Mail from Japan

An urgent appeal to expedite the reported plan by Japanese interests to establish a Japan-Java air mail service was made by the Federation of the Japanese Merchants' Associations in Batavia in identical letters sent Mar. 11 by the Federation to the Osaka Chamber of Commerce and Industry and other Japanese business quarters, as well as to leading Japanese newspapers.

Shanghai Hire Truck Owners to Raise Airplane Fund

The Shanghai Hire Truck Owners' Association, have decided to collect $100,000 for the purchase of an airplane to be presented to the National Government. The fund is to be collected through contributions of $6 from each truck per month. The collection will be stopped as soon as the $100,000 goal is fulfilled.

Sinkiang Gives Conditional Consent to Airplane Service

With regard to the resumption of airplane service on the Shanghai-Sinkiang Airway, Li Ching-sung, Managing-Director of the Eurasia Aviation Corporation, announced in Peiping Mar. 22 that as a result of discussions with Kao Hsi-ping, Provincial Commissioner of Reconstruction for Sinkiang, the Aviation Corporation has promised, under certain conditions, to extend the service to Tihua, provincial capital of Sinkiang, from Lanchow, the present western terminus, via Hami, eastern Sinkiang.

U.S. Navy Uses Former Dirigible Sites for Airplanes

U.S. Secretary of the Navy, Claude Swanson, has approved the plans for concentrating all the Navy's remaining lighter-than-air craft and their activities to Lakehurst, and to convert the dirigible bases at Sunnyvale, California, into airplane training centers, pending the decision on the future of the airship.

"Oriental Clipper," with Radio Control, to Make Trans-Pacific Flight

The 19-ton *Oriental Clipper* seaplane which is expected to inaugurate the proposed California-China mail route made a new world record for non-stop distance flight by seaplane off the Florida coast Mar. 23. The big plane covered 2,550 miles in a seventeen hours and sixteen minute test flight under conditions similar to those expected to be encountered on the trans-Pacific flights. The distance covered was several hundred miles farther than the longest single hop on the China route—from San Francisco to Honolulu. The supply of gasoline carried in the big flying boat proved more than sufficient for the 2,550 mile trip as more than 500 gallons were still in the tanks when the aircraft returned from the long flight over the Caribbean Sea. This was said to be sufficient to fly another 550 miles.

A crew of six pilots, mechanics and helpers were aboard during the tests. The *Oriental Clipper* is to be furnished with a radio control and directional compass by the Bureau of Air Commerce. Regular crews will be carried aboard the plane, but none will touch the controls except in event of emergency. The plans to sent the big Douglas bomber, which has been undergoing tests at Oakland Calif., on a flight to Honolulu, have been abandoned. The "mystery plane," on which the eyes of the aviation world had been focused for several weeks, will be returned to the Trans-Continental and Western Airways, from which it was borrowed for the experiment. The "robot" equipment was transferred to a tri-motored plane belonging to the Bureau of Air Commerce. Cancellation of the proposed Hawaiian flight brought about a telegraphic resignation of Major Chester A. Snow, Jr., the dollar-a-year man who had been in charge of west coast arrangements and tests of the radio controlled plane.

German Missionary Flier Is Received by the Pope

The German trans-Atlantic flier, Capt. Hermann Koehl, landed his plane *St. Peter* in Vatican City, March 21, this being the first time that an airplane landed in the Holy City. Capt. Koehl has taken up a position as pilot for the *St. Peter*, which is to be used in missionary work in Africa, notably in the interest of the sick. Capt. Koehl was received by the Pope, who gave him his Apostolic benediction.

Prominent Y.W.C.A. Men Who Are Visiting Shanghai

A group of Y.M.C.A. executives, including the following, are now travelling in the Far East

F. S. Harmon since January 1, 1932 has served as general secretary of the International Committee Y.M.C.A. Prior to that date, as editor of the Hattiesburg (Miss.) *American* and a lawyer, he had served the Y.M.C.A. in various lay capacities. He has been an active worker in the Y.M.C.A. for twenty-three years. In 1929 he was unanimously elected president of the National Council of the Y.M.C.A. in the U. S., the youngest presiding officer the National organization ever had.

L. C. Haworth has served several of the largest city Y.M.C.A.'s in the United States as general secretary. For a period he was secretary of the Y.M.C.A. in Bombay. His most recent service has been in St. Louis, Mo. where he has achieved outstanding leadership in Church, Rotary Club, the Community Chest and other civic enterprises while making the Y.M.C.A. a potent influence in the city.

J. W. Beaton entered Y.M.C.A. service during the Great War serving at that time in France. He is general secretary of the Montreal Association, oldest Y.M.C.A. on the North American Continent. All three men are on a visit to China as "official representatives" of the International Committee.

The above three men accompanied Dr. John R. Mott across the Pacific to Japan. Mr. Harmon passed through Shanghai last week, Mr. Haworth passed through this week, and Dr. Mott and Mr. Beaton are due here from Japan in the near future. The entire group is visiting Manila and South China and will then come back to Shanghai again later on.

Foreign Settlement Police Raid Gambling Establishments

Detectives of the Louza Police Station of the Foreign Settlement of Shanghai arrested a total of sixty-one Chinese early in the morning of March 24 in two raids in their district. Mah jongg, fan-tan and and other games of chance were in progress when the police entered the places. Some of the players attempted to escape, but were halted by the cordon of police which had been thrown round the establishments. The prevalence of gambling establishments in the International Settlement was referred to in *The Review* in an editorial March 2, and also on previous occasions.

Thirty-six devotees of the "pai chiu" gambling game, who were arrested by the Shanghai Foreign Settlement Police, on the night of March 19, were brought before the First Special District Court the following morning. The dwelling in which the game took place is controlled by the China Realty Company and has been vacant since last November. Kau Ah-chieu, 25, a chauffeur, one of the arrested men, was charged with operating the game. Most of the customers were chauffeurs. On the ground that the house was situated partly in Chinese-controlled territory, Judge Chu ordered the case to be remanded for the purely Chinese courts.

Who's Who in China

General Chang Fah-kwei, former Commander of the famous "Iron sides;" born at Shihsing District, Kwangtung, 1896; received his training at the Hupeh Military School; started his career as a battalion commander of the Guards Regiment of the Generalissimo's Headquarters at Canton; served in Kwangtung Provinical Army as a regimental commander and later a brigadier commander; played important role during the Northern Punitive Expedition of 1926 and was successively Commander of the 12th Nationalist Division, Commander of the 4th Army (which is generally known in China as "The Ironsides"); and Commander-in-Chief of the 2nd Group Army; now, member of the Central Supervisory Committee of the Kuomintang; he toured Europe and America during the past several years studying political and military conditions and just recently returned to China; address: c/o Central Supervisory Committee, Central Party Headquarters, Nanking.

張發奎
General Chang Fah-kwei
(Chang Fa-kuei)

張發奎，廣東始興人，三十九歲，湖北陸軍預備學校畢業，曾充大本營警衛團營長，粵軍團長及旅長，國民革命軍第十二師師長，第四軍軍長及第二方面軍總指揮，現任中國國民黨中央監察委員。

1,300 Opium Dens Closed Down in Chungking in Two Days

Upwards of 1,300 opium dens were closed up in Chungking in two days as result of the opium suppression campaign conducted by military authorities, it was officially announced from said city, March 21. With a view to protecting drug addicts, all pills, tablets, and other kinds of medicine which are advertised as sure cures for opium smoking habits are being analyzed by medical authorities to ascertain whether they contain any narcotic ingredients.

Dr. J. Heng Liu, Director of the National Opium-suppression Commission, has been ordered by General Chiang Kai-shek, President of the Military Affairs Commission, to map out plans for eradication of the opium evil in Szechuen province and to despatch deputies to Szechuen to attend to the opium-suppression work.

Opium-Smoking Paraphernalia Publicly Burned in Hankow

Determined to enforce the measures for the suppression of opium-smoking, gambling and prostitution in the Hankow, the Municipal Bureau of Public Safety during the past week seized more than 2,000 articles of opium-smoking and gambling paraphernalia, which were publicly burned at Hankow March 20. A large number of opium-addicts have also been arrested and are now forced to undergo medical treatment for the cure of their habit.

The regulations for punishment of opium-smokers will be enforced in the province of Kiangsu as from April 1, this year, it was decided at the meeting of the Kiangsu Provincial Government Committee held at Chinkiang Mar. 19 under the chairmanship of Chen Kuo-fu, Chairman of the Provincial Government.

Red Pills and Opium Burned at Loyang

A total of 9,000 red pills and 300 ounces of opium were publicly burned at Loyang March 24 by the local Opium Suppression Commission.

Customs Patrol Boats to Help Suppress Pirates

Consequent upon a suggestion made by Sir Alexander Cadogan, the British Minister to China, that Customs patrol boats be instructed to assist in the suppression of pirates along the China coast, the Ministry of Foreign Affairs upon consultation with the Finance Ministry, has replied to the British Minister that his suggestion is accepted and instructions have been duly issued.

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Men and Events

The U.S. Asiatic Fleet, headed by the flagship *Augusta*, will visit Japan next May.

C. J. Barr, manager at Hongkong for Canadian National Railways, is in Shanghai on a business trip.

The annual meeting of the Sino-American Engineering Society will be held in Peiping on April 6.

L. O. McGowan, general manager of the American-Chinese Company of Tientsin, was in Shanghai this week on business.

In view of an acute shortage of foodstuffs in west and south Hunan, the Hunan Provincial Government has ordered an embargo on rice.

The newly organized Amoy Municipal Government will be inaugurated next month. Wang Ku-pan has been appointed the first Mayor.

L. A. Lyall, former commissioner of the Chinese Maritime Customs, was elected president of the Permanent Central Opium Board at Geneva Mar. 26.

The Geo-Physical section of the Academia Sinica at Nanking has elected the German explorer, Wilhelm Filchner, corresponding member, as a token of Chinese appreciation of his work.

John Alden Carpenter, well known composer of Chicago, accompanied by Mrs. Carpenter, arrived in Shanghai this week and after a few days here, planned to proceed to Peiping on an extended tour of the Far East.

The American University Club of Shanghai announced its annual spring dinner dance to take place April 26, at the Canidrome. The California Alumni Orient Cruise Party was scheduled to be present.

Members of the Shanghai Science Institute were "at home" Mar. 23 to guests, at their headquarters on Route Ghisi, officially to introduce their new director, Dr. S. Shinzo, formerly President of the Kyoto Imperial University.

Messrs. Pa Kan-ku and Wu Chen-chien of the National Health Administration have been selected to represent China at the second session of the International Malaria Research Institute which will be opened at Singapore next month.

Descendants of Huang Ti, the first emperor of China, have submitted a petition to the Shantung Provincial Government, requesting that repairs be made to Huang Ti's tomb and temple at Chufu, which have greatly deteriorated.

The Chinese customs cruiser *Hai Ho* struck an uncharted rock between Foochow and Amoy on the night of March 23. As a result of its *S.O.S.* signals the cruiser *Chun Shing* rushed to the spot and rescued the crew of 38. The *Hai Ho* later sank.

Peiyang University, one of the oldest and best engineering schools in China, announces that beginning with the fall term this year, the tuition fee for a term will be reduced to only $10 with free provision of dormitory, and $1 athletic fee.

The Tientsin Municipal Government has decided to establish an electric power plant for the First Special Area (former German Concession). The electric supply for said area has hitherto been furnished by the Power Company in the British Concession.

The Administrative Bureau of the Central Model Afforestation Area in Nanking, upon the request of the Egyptian Government for exchange of cotton seeds, has dispatched an assortment of 21 kinds of seeds. The Bureau recently received a supply of seeds from the Egyptian Government.

Reginald Sweetland, former China correspondent for the Chicago Daily *News* has been appointed to succeed John Gunther at the Vienna office, which has charge of news coverage for the Balkan countries as well. Mr. Sweetland was on home leave in Chicago when he received the appointment.

The dedication of the Rhoda Cunningham Memorial Hall for tubercular children at the Ching Chung Memorial hospital at Kiangwan will take place Saturday, March 30, at 2.30 p.m. Dr. H. H. Kung, president of the National Child Welfare Association of China, will preside at the ceremony.

The "Mui Tsai" question was descussed in the House of Commons, Mar. 20. William Lunn, a Labor Member suggested that the Commission should inquire into the system of inspection and registration carried on in Hongkong, and recommended that the number of inspectors be increased if it was insufficient at present.

The National Publishers Ltd. of Hongkong in an announcement published in the Shanghai daily newspapers this week stated, in connection with rumors that a daily newspaper was to be established in Shanghai to be known as the *Shanghai Daily Sun*, that it would have no connection either with the *Canton Daily Sun* or *Canton Truth*.

Damages of $1073.80 were awarded by Judge J. Helmick in the U. S. Court for China Mar. 25 in favor of Han Tai-chi, Chinese broker who recently sued Francis R. Welch, aviation mechanic, for personal injuries suffered when a car driven by Mr. Welch was alleged to have struck Mr. Han while the latter was riding a bicycle.

Dr. Wu Lien-teh, on behalf of the National Quarantine Service, has issued invitations for the annual reception to be held at 118 Route Pere Robert, Shanghai, March 30, 5 to 7 p.m.

Mr. and Mrs. T. Urabe, of the Mitsui Bussan Kaisha, gave a tea party at their home at 114 Route Pere Robert, Shanghai, March 27, to view the cherry blossoms.

Cheng Lai (Loy Chang), Director of the Customs Administration of the Ministry of Finance, has resigned from his concurrent post as Director-General of the National State Lottery Administration. His resignation was accepted by the Ministry Mar. 21. Chen Hung, incumbent Director of the Provincial Stamp, Tobacco and Wine Taxes Bureau for Honan, has been appointed his successor.

A meterological conference will be held in Nanking on April 8, under the auspices of the Meteorological Research Institute of the Academia Sinica, to discuss various problems relating to the co-operation between the many meteorological organizations in China, the standardization of meteorological observation instruments, methods, etc.

The National Government issued a mandate March 22 bestowing high honors upon Dr. John C. Ferguson, founder and member of the Board of Directors of the Nanking University, for his generous donation to the University of his large collection of Chinese art objects, which are valued at several thousand dollars. Dr. Ferguson, celebrated his seventieth birthday anniversary only recently in Peiping.

The Japanese Residents Corporation in Shanghai, which practically controls the political destinies of the Japanese community here, at a meeting Mar. 20 gave formal ratification to the previously arranged choice of I. Hishida, managing director of the Yu Fong cotton mill, as chairman, and Mr. Ikeda, ex-newspaperman now attached to the Consulate-General, as vice-chairman.

W. J. G. Myers, who recently retired after 40 years' service with the *Associated Press*, passed through Shanghai this week on a trip around the world. While Mr. Myers had served as a correspondent in many parts of the world, most of his service was in the state of Connecticut and recently when he retired on pension the newspapers of Connecticut which are member of the *Associated Press* gave him a trip around the world.

W. H. Steele, C. B. E., traffic manager of the Peiping-Mukden Railway, stationed at Tientsin, was in Shanghai this week on a business trip. Mr. Steele was in Mukden at the time of the Japanese intervention in 1931 and as a result of his activities in protecting the Chinese railway properties, in which there are important British investments, he was honored by the British Government.

Dr. Ivan Lee Holt, president of the Federal Council of Churches of Christ in America, who has served as pastor of Community Church in Shanghai for several weeks, departed this week for Japan where he will spend three weeks. After his return to Shanghai Dr. Holt will, after a brief period here, proceed to Australia where he will remain for several months.

Kuo Yu-tang, veteran Kuomintang leader and leading member of the Control Yuan, died at his residence in Nanking Mar. 24 at the age of 55. He attracted nation-wide attention several years ago for his impeachment of Miss Soumay Cheng, former President of the Shanghai District Court, and Admiral Chen Shao-kwan, Minister of Navy. He was a native of Tehling, Liaoning province.

Gene. Tunney, retired world heavy-weight pugilistic champion, accompanied by his wife, the former Polly Lander, spent several days in Shanghai this week, *enroute* to Peiping where they will be the guests of Harry Paine of the American Bank Note Company. Mr. and Mrs. Tunney are making a world tour with Dr. and Mrs. John La Gorce of Washington D. C. Dr. La Gorce is Managing editor of the *National Geographic Magazine*.

Gareth Jones, a British journalist, passed through Shanghai last week *enroute* to Manila, Singapore, and Java. He intends to return to Canton and Shanghai in about six months. During the trip he will correspond for the *Berliner Tageblatt*, the International News Service, and a number of British papers. Mr. Jones is one of a number of journalists whom the Soviet government has refused to allow to re-enter the country, in his case because of his reports on famine conditions in the Ukraine.

The death occurred in Shanghai March 26 at the age of 76 of Frederick W. Sutterle, Sr., president of the China Realty Co., Fed., Inc., U.S.A. The deceased was born in Philadelphia, and came originally to the Philippines. He came to Shanghai in 1896, and for several years represented the Guggenheim interests. From the start of his residence here he interested himself in finance and real estate. He was one of the founders of the Shanghai Life Insurance Company, (since amalgamated with the Sun Life of Canada), the first locally organized life insurance company. He was also the leading spirit in organizing the China Realty Co., and the China Finance Co., both American corporations. He is survived by his son, Frederick W. Sutterle, Jr.

Recent telegrams from London brought the news that Princess Barbara Hutton Mdivani, the five-and-ten cent store heiress who two years ago, gave her groom U.S. $1,000,000 as a wedding present, is planning to proceeded to Reno, Nevada, to secure a divorce from Prince Alexis. The Prince is at present visiting the home of his sister in Catalonia, Spain. The Mdivani couple spent several days in Shanghai something over a year ago, in the course of a round-the-world wedding tour. A message from Southampton Mar. 25 said that out of the $40,000,000 that came to her a year ago. Princess Mdivandi has thrown away in "loans," donatons and payments of other people's debts nearly $13,000,000.

The Story of a Chinese Girl Who Said Lightning Had Changed Her Sex

Miss Yao Ching-ping, 20-year-old Tientsin girl who claimed to have been transformed into a boy by a stroke of lightning last July and was given wide publicity in the Chinese press on her arrival in Shanghai last week, will always remain a "Miss." Following a brief examination at the Red Cross Hospital it was found that Miss Yao was still a female and that no transformation as reported in the press had taken place. Her father was an officer in the Manchurian army under Gen. Li Tu, who was defeated by the Japanese and forced to flee into Soviet Russian territory. Some reports state that Miss Yao's father was killed and others that he is now in Sinkiang or Chinese Turkestan, where most of the Chinese troops which fled into Siberia were transported by the Soviet authorities. It is reported that Miss Yao wanted to enlist in the army in order to avenge her father's death, or on the other hand go to Sinkiang and try to find him. However, as women are not permitted to travel to Sinkiang, she is reported to have invented the transformation story. Owing to the interest which the case aroused among the medical profession, Gen. Li Tu, who is now in Shanghai, was pressed to induce Miss Yao to submit to a physical examination.

Miss Yao's affairs are now complicated by the fact that her fiancee, an officer in the north-eastern Army, may not renew his love making, she having broken off the engagement at the time she decided to announce the change in her sex.

Another Bomb Is Thrown at the Canidrome

Either a bomb or a giant fire-cracker was thrown by a Chinese from Box 16 at the Canidrome dog racing track (in the Shanghai French Concession) to the judges' stand just at the close of the seventh race on the night of March 23. A corner of the judges' stand was destroyed. No one was hurt. In addition to damaging the judges' box the leading dog got scared and stopped, with the result that another dog won the race. Following the explosion, the races continued without further interruption. This explosion has been one of several of a similar nature which have occurred at this dog-facing establishment during the past year. It is rumored that the attacks are made for blackmailing purposes.

Los Angeles Businessmen Are Entertained By Shanghai American Chamber of Commerce

The Los Angeles businessmens' party of 23, at the head of which is W. T. Hallingsworth, vice president of the Los Angeles Chamber of Commerce, arrived back in Shanghai Mar. 25 from their trip to 'Manila, enroute to the United States. They were entertained at tiffin at the American Club by the Shanghai American Chamber of Commerce Mar. 28. The party is proceeding from here to North China and Manchuria by rail. It is due to sail from Yokohama on the s.s. *President Coolidge* April 26.

"Asia House" Established in Portland, on Julean Arnold's Suggestion

Julean Arnold, U. S. Commercial attache in Shanghai, nas received word from Portland, Oregon, that the permanent organization of the "Asia House of Portland" was effected on February 13 of this year. The following were elected on the Board of Directors: A. M. Scott, Pillsbury Flour Mills; L. J. Wentworth, Douglas Fir Exploitation and Export Co.; Willis K. Clark, States Steamship Co.; A. W. Peters, Hood River Apple Growers Assn.; George Powell, Pres., Powell Shipping Co.; Harold Sanford, Pacific Continental Grain Corporation; Dr. Dexter M. Keezer, Pres., Reed College, and F. H. Chapman, Mgr., Foreign Department of the First National Bank. The initial number of charter members is 33.

Japan Now Wants to Take Up Fishery Question With Japanese

Negotiations governing the auction bids for fishery lots in Soviet territorial waters and the renewal of the Fishery Treaty are expected to be taken up by Japan with the Moscow Government soon after Ambassador Ohta, who is now in Tokyo on leave, returns to his post early next month.

CUSTOMS NOTIFICATION

No. 1438

With reference to previous Notifications concerning the movement of silver, I have now to notify the public of the following revised Government instructions, which will be enforced forthwith:—

(1) (i) Passengers travelling by vessels which ply solely between Chinese ports, and which do not at any stage of their run pass through a foreign port, may carry with them up to 1,000 silver dollars each;

(ii) Compradores of such vessels may also carry up to 1,000 silver dollars, in the same way as passengers;

(iii) The officers and crews of such vessels may, however, carry with them not more than 20 silver dollars per head.

(2) (i) Passengers travelling between places in China without passing through a foreign port, on vessels which at some stage of their run call at a foreign port, may carry with them not more than 50 silver dollars each;

(ii) A similar restriction is imposed on the amount of silver dollars that may be carried by the compradores of such vessels;

(iii) The officers and crews of such vessels are, however, on all sections of the run, forbidden to carry any silver dollars with them; and

(iv) The Customs at ports from which such vessels finally clear for abroad will take steps to ensure that no silver whatever is illegally exported by either the passengers, the compradores, the officers or the crews of such vessels.

(3) If, in any of the cases cited above, silver dollars are carried in excess of the amounts specified, the total sum carried will in each instance be confiscated.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 26th March, 1935.

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The National City Bank of New York, Rates of Exchange

Shanghai, March 27, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.59
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.56
Demand selling rate on London:	£1.0.0=Sh. $ 12.39
Demand buying rate on London:	£1.0.0=Sh. $ 12.23

New Books of Interest in the Far East

Walter Duranty Interprets Russia

Russia Reported, by Walter Duranty; selected and arranged by Gustavus Tuckerman, Jr. London, Victor Gollancz, Ltd., 1934. 384 *pages, index.* 5 *shillings.*

In 1921, with the period of war communism drawing to a close, just when Lenin's New Economic Policy was inaugurated, Walter Duranty went to Russia as the correspondent for the New York *Times*. This change of economic front was a frank admission of Russia's retreat from strict communism, a critical moment in the communist state. It is with this period that Duranty's dispatches begin their interpretation of Russia. The Soviet government has recognized Duranty as an able and impartial reporter, and he was accorded the rare privilege of personal interviews with both Lenin and Stalin. In the earliest days of the Roosevelt administration Duranty advised the president upon Russian affairs. When Maxim Litvinov in 1933 went to America to arrange for recognition it was Duranty who accompanied him. It was Duranty too who returned to Moscow with William C. Bullitt, the first United States ambassador.

Selected from his twelve years of reporting, this collection of dispatches gives a contemporary account of Russia's development which cannot be duplicated. Duranty himself was sceptical of the possibility of compiling from his material a book which would define the progress of Soviet development through these years of rapid change. But the very fact that there has been rapid change makes disirable a contemporary record of events. The weakness of a collection of miscellaneous material written over a long period of time has been avoided by the arrangement of the dispatches around three main themes: Russia under Lenin, Stalinism, and Collectivization. The vivid freshness of each dispatch, the variety of characters and of scene build up the main themes in a unique fashion.

Three characters dominate the twelve years of Duranty's reporting—Lenin, Trotsky and Stalin. The occasion of Lenin's death in 1924 was for Duranty, as indeed for all of Russia, an opportunity for estimating Lenin's place in the whole revolutionary movement. Duranty has used the phrases and estimates of the Russians themselves to add weight to his own observations. Lenin's achievement of an effective revolutionary machine was summed up by Osinsky, "Lenin thrust out from the party the element of phrase-making. He did it in order that the revolutionary energy might not be dissipated in fine romantic words, but be transmuted into action which he directed along definite lines." Duranty interprets Lenin's success thus: "While Kerensky talked and the Social Revolutionaries planned and the Menshiviki hesitated, Lenin acted and made his party act with him. Ayone who knows the Russians, who would rather talk than eat, drink, sleep or work—especially work—can understand what an achievement that was. Peter the Great made them work, too, but by brute force, and Lenin by the force of personality." Lenin's gift was his ability to gauge situations and opinions at a distance. The break between Stalin and Trotsky was foreshadowed by the absence of Trotsky from Lenin's funeral ceremonies.

Trotsky, despite his comparatively late adherence to the party, was probably the foremost theoretical Marxist in Russia. He had not hesitated to oppose measures taken by Lenin for practical reasons. With the development of personal rivalry between Trotsky and other party leaders after Lenin's death, Trotsky's individualism made certain the final break, his exile and deportation. Duranty has analyzed this situation well.

Stalin figures in these dispatches as Stalin the man, Stalin the mouthpiece, and Stalin the machine. Animating all of Stalin's activity is will power. Duranty's psychological study of Stalin explains Stalin's jealous dislike of "bourgeois culture" by his genuinely proletarian birth, which contrasts with the "bourgeois" origin of the rivals he has defeated.

The defeat of communism in the economic field resulted in the introduction of the New Economic Policy in 1921. Duranty's dispatches in the first year of the N E P show a clear realization that the new policy is less a concessi on to capitalism than to the peasant. Lenin openly acknowledged the fact that the period of war communism directly after the 1917 revolution had gone too far along the line of destruction: "When we set out to make old Russia into a new Russia we had to do a lot of smashing and perhaps we smashed too much. We had not time to think of that or calculate whether the sacrifices we were making were too great." After the "breathing space" afforded by the N E P, the drive for further socialization—the Frist Five Year Plan—began in 1928 with great success. The aspect of the plan most pertinent to the outside world was the regulation of production and consumption on a basis of nation-wide organization, Duranty shows the plan to have been not merely the socialization of industry and commerce, but a moral socialization as well. The dispatches chosen for this period do not give detailed material on the Five Year Plans, but primarily show how the Five Year Plans are a bulwark of Stalinism.

One of the interesting sections of the book is Duranty's discussion of Marxism and Stalinism. Since 1917 Russia has transformed Marxism to suit racial needs and characteristics which are far removed from those of western Europe. Just as Leninism meant practical but Russian application of Marxian theory, so Stalinism represents a further development of the rigid theory of Marx. The essential feature of Stalinism, which is also the key to the comprehension of the Five Year Plans, is that it frankly aims at the establishment of socialism in one country without depending upon world revolution.

The shifting Russian scene, the change of leadership, the opportunism of political and economic theory have made it difficult for writers to catch the changing spirit of Russia. Hence Duranty's book will have its own place among first-hand materials on Russia, following as it does the shift and change in Russian policy and thought.

F. M. R.

Oxford Professor Discusses Chinese Philosophy and Religion

The Clarendon Press of Oxford has issued in brochure form the text of an inaugural lecture delivered by E. R. Hughes in the Examination Schools last year on "Oxford and the Comparative Study of Chinese Philosophy and Religion. "The lecturer stated that the Chinese have a historic proclivity for combining religion with politics and politics with religion. Philosophically minded people, he said, will find this theme peculiarly instructive, not merely because history in China has been on such a large scale, but also because in pursuing his enquiries the student is compelled to break away from unconscious assumptions which have conditioned his historic thinking.

Chairman of Property Owners' Association Says Shanghai Is Overbuilt

N. L. Sparke, chairman of the Shanghai Property Owners' Association, speaking at the annual meeting held March 27, stated in connection with current discussion on high rentals in Shanghai, that he considered the matter of rentals entirely one between the tenant and his individual landlord. It would be quite impossible, he said for the Association to lay down any rules in this respect, as it is obvious that each case must be decided on its merits. With regard to the suggestion that Municipal rates should be paid by landlords on all unoccupied houses, he said that this Municipal rate is essentially a tenant's liability, as the landlord has to pay taxes to the Municipal Council in the form of land taxes based on the assessed value of the land, and this tax is payable, whether the property is occupied or not, Mr. Sparke said. The real estate market is, he added, at the present moment, somewhat under a cloud. This situation is, to some extent, but by no means entirely, due to the rise in the value of silver. It is to a great extent due to the fact that the property market has not entirely recovered from the Sino-Japanese hostilities in 1932. Shanghai at the moment, he said, is overbuilt, a state of affairs which has been accentuated by the economic depression, but nothing can prevent a great and populous area from going ahead and, once the depression is over, it is probable that vacant properties will again find tenants.

Victor Sassoon Urges China to Issue "Pound" Notes Based on Sterling

A "palliative" plan designed to ease the stringent financial situation in China, particularly in Shanghai, was advanced by Sir Victor Sassoon in an interview with *Reuter* in Shanghai Mar. 27.

Sir Victor suggested that China should obtain a sterling credit and make a note issue against it in the form of "Shanghai pounds," equivalent to sterling, to circulate alongside the Shanghai dollar as a secondary or alternative currency. Under his plan such notes would be obtained from a special committee upon payment in sterling at London, or in local dollars at the prevailing rate of exchange for sterling. If necessary, the supply of a certain amount of smaller token currency might be arranged through the municipality.

Sir Victor emphasized that it was essential for China to remain on the silver standard, to which the people had been faithful for centuries. He attributed the present crisis to America's silver-purchasing program, which he described as a failure. He said that China, and more particularly Shanghai, must attempt to bridge the difficult times ahead until America abandoned her present silver policy, as he was certain she would eventually.

To expand China's currency by inflationary methods, he added, was liable to prove disastrous, but if expansion could be obtained by conservative means the immediate benefits would be very considerable.

The new sterling notes, in the opinion, could be used in a variety of ways, such as for the payment of Customs duties and for the purchase and sale of imported goods, thus obviating the present exchange risk. The dual currency, he asserted, could be abolished immediately America's silver policy were changed, or if other factors arose to assist China to emerge from her present trouble.

Flood on Honan-Hopei Border Renders 140,000 Homeless

According to a telegram from Yeh Chen-min, special flood inspector for the Kuantai Area, no less than 140,000 inhabitants in the flood-stricken areas, on the Honan-Hopei border, have been rendered homeless and destitute. The Hopei Provincial Government is urged to take steps to alleviate the sufferings of the refugees.

The Central Authorities at Nanking have decided to remit a sum of one million dollars for the completion of the breached dykes of the Yellow River at the Kuantai Area, southern Hopei, and the strengthening of the Chin Dyke, on the Hopei-Shantung border, according to a spokesman of the National Water Conservancy Commission.

Hopei Remits $9,000 to Save Changyuan City from Destruction

The Hopei Provincial Government has decided to appropriate a sum of $9,000 to the authorities of Changyuan in southern Hopei to finance the building of dams to save the city from being inundated by the Yellow River. In the meantime, additional river conservancy engineers will be dispatched there to direct and supervise the work of the building of the dams and the repairs to the breached dykes.

Acting on the suggestion of the League of Nations river conservancy experts, the National Economic Council has decided to place the full responsibility of coping with the menacing flood situation in Hopei, Honan and Shantung on the shoulders of Kung Hsiang-yung, head of the labor relief section of the Yellow River Conservancy Commission.

The dredging of the northern section of the Yungting Ho (River), in northern Hopei, in order to facilitate navigation and prevent flood, was decided upon by the North China River Conservancy Commission at a meeting in Tientsin, Mar. 22.

Recent despatches from the District Government of Changyuan, southern Hopei, report that the rapid current of the Yellow River, fanned by a strong wind, is further intensifying the flood situation. In addition to the dykes at the Kuantai and Taihsing Areas, which are in imminent danger, several portions of the fifth dyke have collapsed.

The Yellow River in southern Hopei continued to rise during the past few days. Despite the increase of the height of the Tahang Embankment to three more feet, the water there also registered an increase of two feet. It is feared that with the annual spring rise of the River, the Tahang embankment may collapse under the pressure of the current.

Robert Haas Arrives in Shensi on Inspection Tour

Robert Haas, liaison officer for technical co-operation between China and the League of Nations, accompanied by Wu Hsiu-feng, secretary of the Political Bureau of the League of Nations, arrived in Sian Mar. 21. Dr. Haas is inspecting the conservancy work of the Chin and Wei rivers.

Messrs. J. Coode, conservancy expert from the League of Nations, and Chang Lien-chia, Director of the Shantung Provincial River Affairs Bureau, returned to Nanking during the week after inspecting the flood situation in western Shantung.

Chao Ming-yuan, Chief of the Militia Corps at Litsun, northeastern Shantung, and concurrently head of the Reclamation Bureau, reports that 5,000 flood refugees in western Shantung have arrived at Litsun to engage in reclamation work.

Whether it Be Colds or Colic

This Mother of Seven Finds Just
The Help Needed for Her
Children In

Baby's Own Tablets

"I am the mother of seven children," writes Mrs. Robert Greenhorn, of Philipsville, Ont. Canada, "and when I see any one of them with a cold coming on I fly to Baby's Own Tablets. Also, when I could not sleep at night with baby's cries from colic, it was Baby's Own Tablets that cleared the little system of that offending substance and gave sweet sleep and rest."

The experiences of thousands of mothers throughout the world prove that Baby's Own Tablets are of the utmost value for the prompt correction of children's colds, colic, constipation, indigestion, vomiting, simple fever, difficult or painful teething, sleeplessness, and to expel worms. The little ones like them; they are obtainable at chemists everywhere.

CUSTOMS NOTIFICATION No. 1439

The public is hereby notified that control over the Customs Station at Hsinyangchiang will be transferred on the 1st May, 1935, from the Kiaochow Customs to the Shanghai Customs.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th March, 1935.

CUSTOMS NOTIFICATION No. 1440

The public is hereby notified that in accordance with Government instructions the ruling published in Notification No. 1431 with regard to silver imported into China and subsequently re-exported to foreign countries has been modified as follows:

(1) When a consignment of silver bullion, or of standard silver dollars (*i. e.* dollars containing 23.493448 grammes each of pure silver), is imported from abroad, the importer may request the Customs to register the importation and issue to him a certificate showing the quantity imported and the date of importation. Should it subsequently be necessary to re-export the silver abroad, the original importer may present this certificate to the Ts'ai-chêng Pu, who will issue, in exchange, an Export Duty Free Huchao (出口免稅護照), under cover of which an equivalent amount of silver bullion or standard silver dollars may be exported, either in one consignment, or divided into several shipments.

(2) Shipments made under cover of the above mentioned Huchao shall be liable to export duty at the rate of 2¼ per cent. *ad valorem* only, and shall be exempt from payment of the additional export duty and equalisation charge the levy of which commenced on the 15th October 1934. Standard silver dollars, and Central Mint bars, when exported in accordance with the procedure now introduced, shall, however, be passed free of duty.

(3) The procedure specified above is applicable only to importations of silver bullion containing not less than 500,000 ounces of silver, or the equivalent of this amount in standard silver dollars.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th March, 1935.

Singapore Naval Base So Far Has Cost £7,325,000

It was stated in the House of Commons Mar. 13, that Great Britain has spent £7,225,000 on the construction of the Singapore naval base, and plans to invest another £7,500,000 in this focal point in the Far East defence system.

Complaints are being made in certain circles in Singapore that the work on the defence scheme is proceeding too slowly. Certain military authorities are stated to share these views. It is understood that, at the end of the financial year 1935-6, the balances outstanding for expenditure on the naval base, fortifications and air bases, will total about £4,000,000.

Hongkong Holds Extensive Sham Battle

One of the most extensive sham battles ever held in the Hongkong area was staged March 23. More than 12,000 soldiers, marines, sailors and aviators took part in the maneuvers, the first in which air, sea and land forces have co-operated to test the potential defensive strength of the Colony. Following the maneuvers it was announced that Great Britain is adequately prepared to protect the Crown Colony from any ordinary attacking on sea or land or in the air.

British to Erect Permanent Buildings for Troops at Hongkong

General Borrett in command of the British troops in Hongkong Mar. 19 stated that the sum of £2,250,000 mentioned in the House of Commons the previous day is for the erection of permanent buildings to replace the temporary huts where the British battalion is quartered.

British Delegates Arrive in Berlin

Sir John Simon and Anthony Eden, British delegates to the conference with Germany, arrived in Berlin Mar. 25, where they met Herr Hitler, Foreign Minister von Neurath, and the German disarmament commissioner Gen. von Ribbentrop. Germany it is stated, may again enter the League.

Abyssinian Dispute Not Settled, But Italy Engrossed by European Situation

The friction between Abyssinia and Italy was intensified last week by reports of camel raids on the border and other incidents, but in the meantime Italy has adopted a softer tone towards this African nation because of the tenseness of the situation in Europe Signor Mussolini set Europe by the ears Mar. 24 by issuing an order calling to the colors the remainder of the 1911 class of conscripts, thus bringing more than a million Italians under arms.

In connection with the Italo-Abyssinian dispute a recent Foreign Policy Association *Bulletin* stated that in 1925 Great Britain promised to support Italian efforts to connect its colonies by a railway across Abyssina west of Addis Ababa and to recognize western Abyssinia as an Italian sphere of influence, provided British interests in the headwaters of the Nile were respected. "The recent Franco-Italian agreement has been thought to included an understanding giving Mussolini a free hand in Abyssinia. By exerting pressure on Abyssinia both at Geneva and Addis Ababa, France and Great Britain have apparently chosen to honor their diplomatic engagements toward Italy rather than their obligations under the League Government," the Foreign Policy Association writer commented.

General Ho Ying-ching Honored by U.S. Marines at Peiping

General Ho Ying-ching, Chinese Minister of War and Chairman of the Peiping Branch Military Council, was honored by a Dress Parade and All Arms Review and Inspection of the American Marine Detachment of the American Legation in Peiping March 25. It was the first time in the history of the Legation Guard that such honors had been rendered to a Chinese officer.

Senate Committee Drafts Measure to Take Profits Out of War

The U.S. Senate Munitions Committee advocated a drastic program March 19 to eliminate profits from war, the outstanding feature being a plan of taxation whereby all individual incomes would be limited in war-time to a maximum of $10,000 annually. The bill is expected to be submitted to the Senate on April 1.

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Japan Pays Last Dues to League Before Final Parting

With the payment of 483,294 Swiss francs and 85 centimes, representing Japan's League of Nations dues from January 1 to March 27, the Japanese Government ended its official dealings with the Geneva organization March 26. The question of Japan's administration of the mandated islands in the Pacific is one of the outstanding questions, but Foreign Office officials in Tokyo expressed the opinion that this matter is no longer a primary concern of the Government, since neither the League nor Germany are likely to raise any objections to it. Japan's withdrawal from the League, the Japanese officials added, was a definite assertion of her new Far Eastern policies, which make the maintenance of Manchukuo's independence the crux of Oriental peace.

U.S. Senate Passes Administration's Work Relief Bill

The U.S. Senate March 23 passed President Roosevelt's $4,880,000,000 work relief program after adopting an amendment calling for potential inflation in connection with the plan, amounting to approximately $1,000,000,000. The amendment was tacked on at the last minute by Senator Thomas, Democrat, of Oklahoma, a leader in the Congressional inflation bloc. Administration leaders said they are hopeful of killing the Thomas Amendment in conferences which will be held prior to the return of the work relief bill to both houses for final adoption. The final vote for passage of the President's plan was an overwhelming victory for the administration.

Employment Figures Improve, But 22,000,000 Still on Relief

Miss Frances Perkins, U.S. Secretary of Labor, reported March 21 that employment figures gained more than 200,000 during February. The Government still is, however, spending approximately $5,000,000 a day to furnish relief to more than 22,000,000 persons in the United States.

Ex-President Hoover Makes Slashing Attack on Roosevelt Policies

Ex-President Hoover, in a letter to the California Republican Assembly Mar. 23, made a slashing attack against the regime of President Roosevelt which, he declared, was hampering the freedom of American citizens to think, act and achieve. The most solemn government obligations, he added, had been repudiated and the nation is faced with the greatest national debt in its history.

Dr. Edwin Kemmerer, frequently termed the "money doctor" in an address in New York, Mar. 21, severely criticized the Administration's fiscal and financial policy, and expressed the opinion that the inflation danger was all the greater because taxation had not yet driven the public to resist.

U.S. Prepared to Exchange Gold for Silver or Commodities

The United States Government announced Mar. 21 that it is ready to sell gold to other nations, if they seek it, and is prepared to accept payment either in silver or in commodities, The first sale was that of 32,000 ounces of gold to the Bank of Mexico.

Proposed Bill Increases U.S. Army to 46,250

The House of Representatives has agreed to accept the Senate amendment to the War Department Appropriation Bill calling for an increase of 46,250 officers and men in the U. S. Army. This will bring the standing army up to 165,000 troops—an increase of about 40 percent.

U.S. West Coast Ship Firms Defy Unions

Shipping companies at San Francisco March 21 decided to use "strike-breakers" in the dispute with the sailors' union which has tied up almost a score of intercoastal vessels on the Pacific coast.

Further Evidence Is Heard in the Zimmerman Divorce Case

With a heading running across five pages, reading "A Hun for a Million Dollars: Morris Zimmerman Ready to Give Wife Divorce if She Will Divide Property Half-and Half," the Shanghai Russian newspaper *Novosti Dnia* (News of the Day) of March 26 gave a long account of the proceedings in the High Court of Kiangsu in the continued hearing of the case brought by Mrs. Freda Zimmerman against her husband Morris Zimmerman for a divorce,—which was denied her in the lower court. The plaintiff wife appeared in court under heavy guard, and, according to evidence given by an Arabian Jewish rabbi, Mendel Braun, Mrs. Zimmerman had come to him asking his help in securing a divorce. According to what she told him, she had given her husband $20,000 and when she refused to give him more he began to belabor her. Evidence was given by servants and an Indian watchman that he tried to choke her. When the rabbi saw Mr. Zimmerman, according to the former's testimony, Mr. Zimmerman is alleged to have said that if he was divorced he would kill not only himself, but his wife and also the lawyer. The rabbi further testified that he made a statement of this matter before the British Consul. Asked by the court why he did that, he replied that he felt it was his duty to do so in view of the fact that people's lives were threatened. To this, Mrs. Zimmerman's lawyer, Dr. Fischer, added that he himself had reported the matter to the French Police with the object of getting police protection for her. Mr. Fishman, who appeared for Mr. Zimmerman, asked the rabbi whether he had offered $50,000 to the husband on condition that he gave his consent to a divorce. Witness replied that he did not, but according to what he had heard Mr. Zimmerman's idea of a divorce was that he would consent to it on the understanding that the property was to be shared half-and-half, that is, a million dollars to him and a million to her.

An advertisement was inserted in the *North China Daily News* March 24 signed by Dr. O. Fischer, T. T. Loh, and P. C. Ho as attorneys for Mrs. Freda Zimmerman, stating that according to a decision of the Second Special District Court of Kiangsu, dated March 1, 1935, the petition of Morris Zimmerman claiming administration of Mrs. Freda Zimmerman's property was dismissed.

AIR MAIL and PASSENGER SERVICE

(SHANGHAI-HANKOW LINE)

W. Bound		E. Bound
7.00 *dep.*	Shanghai	*arr.* 14.05
9.15 *arr.*	Nanking	*dep.* 11.50
9.30 *dep.*	Nanking	*arr.* 11.35
11.15 *arr.*	Anking	*dep.* 9.50
11.20 *dep.*	Anking	*arr.* 9.45
12.20 *arr.*	Kiukiang	*dep.* 8.45
12.35 *dep.*	Kiukiang	*arr.* 8.30
14.05 *arr.*	Hankow	*dep.* 7.00

Daily Service

(SHANGHAI-PEIPING LINE)

N. Bound		S. Bound
6.30 *dep.*	Shanghai	*arr.* 15.30
9.30 *arr.*	Haichow	*dep.* 12.30
9.45 *dep.*	Haichow	*arr.* 12.15
11.05 *arr.*	Tsingtao	*dep.* 10.55
11.20 *dep.*	Tsingtao	*arr.* 10.40
14.30 *arr.*	Tientsin	*dep.* 7.30
14.45 *dep.*	Tientsin	*arr.* 7.15
15.30 *arr.*	Peiping	*dep.* 6.30

North bound on every Tuesday, Thursday and Saturday.

South bound on every Wednesday, Friday and Sunday.

(CHENGTU-CHUNGKING LINE)

E. Bound		W. Bound
12.00 *dep.*	Chengtu	*arr.* 16.30
14.00 *arr.*	Chungking	*dep.* 14.30

Both East and West Bounds on every Monday, Wednesday, Friday and Saturday.

(HANKOW-CHUNGKING LINE)

W. Bound		E. Bound
7.30 *dep.*	Hankow	*arr.* 15.50
9.00 *arr.*	Shasi	*dep.* 14.20
9.15 *dep.*	Shasi	*arr.* 14.15
10.00 *arr.*	Ichang	*dep.* 13.30
10.15 *dep.*	Ichang	*arr.* 13.15
12.25 *arr.*	Wanhsien	*dep.* 11.05
12.40 *dep.*	Wanhsien	*arr.* 10.50
14.30 *arr.*	Chungking	*dep.* 9.00

West bound on every Monday, Wednesday and Friday.

East bound on every Tuesday, Thursday and Saturday.

(SHANGHAI-CANTON LINE)

S. Bound		N. Bound
6.30 *dep.*	Shanghai	*arr.* 15.00
8.25 *arr.*	Wenchow	*dep.* 13.05
8.45 *dep.*	Wenchow	*arr.* 12.45
10.05 *arr.*	Foochow	*dep.* 11.25
10.25 *dep.*	Foochow	*arr.* 11.05
11.35 *arr.*	Amoy	*dep.* 9.55
11.55 *dep.*	Amoy	*arr.* 9.35
12.55 *arr.*	Swatow	*dep.* 8.35
13.15 *dep.*	Swatow	*arr.* 8.15
15.00 *arr.*	Canton	*dep.* 6.30

South Bound on every Tuesday and Friday.

North Bound on every Thursday and Sunday.

CHINA NATIONAL AVIATION CORPORATION
51 Canton Road, Shanghai : Tel: 12955-4-3

EURASIA AVIATION CORPORATION

SPRING TIME TABLE 1935

Shanghai-Tchukuchak Line

West Bound			East Bound		
Wednesday	7.10 Lv.	Shanghai	Ar. 16.40		Sunday
	8.40 Ar.		Lv. 15.10		
	9.05 Lv.	Nanking	Ar. 15.00		
	12.05 Ar.		Lv. 12.00		
	13.20 Lv.	Chengchow	Ar. 11.00		
	15.50 Ar.		Lv. 8.30		
	8.30 Lv.	Sian	Ar. 17.00		
Thursday	11.30 Ar.		Lv. 14.00		Saturday
	Lv.	Lanchow	Ar.		
	Ar.		Lv.		
	Lv.	Suchow	Ar.		
	Ar.		Lv.		
	Lv.	Hami	Ar.		
	Ar.		Lv.		
	Lv.	Urumtchi	Ar.		
	Ar.	Tchukuchak	Lv.		

Peiping-Canton Line

South Bound			North Bound		
Wednesday & Sunday	7.50 Lv.	Peiping	Ar. 16.10		Wednesday & Sunday
	11.40 Ar.		Lv. 12.20		
	13.00 Lv.	Chengchow	Ar. 11.45		
	16.00 Ar.		Lv. 8.45		
Thursday & Monday	8.00 Lv.	Hankow	Ar. 15.50		Tuesday & Saturday
	9.40 Ar.		Lv. 14.10		
	10.00 Lv.	Changsha	Ar. 13.50		
	13.20 Ar.	Canton	Lv. 10.30		

Lanchow-Paotow Line

North Bound			South Bound		
Thursday	12.30 Lv.	Lanchow	Ar. 13.20		Friday
	14.30 Ar.		Lv. 11.20		
	15.00 Lv.	Ninshia	Ar. 10.50		
	17.20 Ar.	Paotow	Lv. 8.30		

NOTE:—1. Shanghai-Tchukuchak and Peiping-Canton lines are connected with each other at Chengchow, thus providing a most convenient route for Shanghai/Lanchow—Peiping/Canton.
2. Special flights to other places can be arranged only under special agreement.

Latest New York Stock Exchange Quotations

March 27, 1935
Business Done:
Total Volume:- 440,000 Shares

1934-35 High	Low	Div. $ per sh.	STOCKS	Last Sale Mar. 25	Mar. 26
121⅜	90¼	4.00	American Can	115½	114⅛
22½	14⅝	0.40	Amer. Cyanamid "B"	15⅝	16
13⅜	2	—	American & For. Power	2⅞	2⅞
38⅝	9¼	—	American Locomotive	9⅞	9⅞
17⅝	10	—	American Radiator	11¼	11½
51¼	30¼	—	American Smelting	34½	33⅝
125¼	99¼	9.00	American Tel. & Tel.	102½	101⅝
89	67	5.00	American Tobacco "B"	76⅛	75½
27⅝	7¼	1.00	American Waterworks	10½	10⅝
17⅜	8	—	Anaconda Copper	9⅜	9⅝
73⅝	38⅜	2.00	Atchison, S. & S. Fe	37⅝	36⅞
35½	21⅝	1.00	Atlantic Refining	22	21⅝
57⅝	15	—	Auburn	16¼	16⅝
34½	7⅞	—	Baltimore & Ohio	8⅝	8½
23⅞	9⅝	—	Bendix Aviation	12⅞	12⅜
49⅛	22½	—	Bethlehem Steel	23⅜	24¼
11¾	6½	—	Boeing Airplane Co.,	7	7⅛
28¾	19⅞	1.60	Borden Co.	22	21⅜
32½	16¾	1.50	Borg Warner	30⅜	30⅜
18½	9½	—	Canadian Pacific Railway	9½	9⅞
86¾	35	—	Case, J. I.	48⅜	48⅝
43⅞	23	1.00	Caterpillar Tr.	38¼	37¾
40⅜	15⅞	1.40	Chase National Bank	21⅝	21⅜
48⅝	37½	2.80	Chesapeake & Ohio	39	38¼
60⅜	29¼	1.00	Chrysler	33½	32⅜
19¼	3⅜	—	Columbia Gas & Electric	5⅝	5½
36⅜	15⅜	0.60	Coml. Solvents	13½	13½
3⅜	0⅜	—	Commonwealth & Southern (ord.)	1	0⅞
47⅞	16¼	1.00	Consolidated Gas of N. Y.	19⅝	19⅜
22⅜	15⅛	0.50	Continental Oil	16	15⅝
84¼	55½	3.00	Corn Products	64¼	64
9⅞	3⅜	—	Coty Inc.	4½	4¼
28½	14½	—	Douglas Aircraft	19⅜	19⅜
103⅝	80	3.25	Du Pont de Nemours	89⅝	89
23¼	3¾	—	Electric Bond & Share	5⅝	5¼
17½	8¼	—	Fox Film "A"	9⅝	9¼
25¼	16⅞	0.60	General Electric	22¼	22⅜
36⅞	28	1.80	General Foods	33⅛	33
42	24⅝	1.50	General Motors	27⅜	27½
23	15½	1.20	Gold Dust	15½	15¾
41⅜	16	—	Goodyear Tire & Rubber	17¼	17½
37¾	18⅜	0.25	International Cement	23½	23⅝
29¼	21	0.60	International Nickel	23¾	23⅝
17⅝	5⅝	—	International Tel. & Tel.	6⅝	6¼
66⅝	39	—	Johns Manville	41¼	40½
23½	14	0.60	Kennecott	15½	15¾
37¼	20⅜	2.00	Loew's Inc.	34¾	34½
22¼	15⅜	1.20	Lorillard	18⅜	18½
35⅜	20	—	Montgomery Ward	23⅞	23¼
49½	25	2.00	Nat. Biscuit	25	24⅝
48	16⅞	1.00	National City Bank	19⅛	18⅞
18⅜	13	1.20	Nat- Dairy Prods.	13⅞	13¾
31⅝	16	0.50	National Distillers	26⅝	26
15½	5	0.80	Nat. Power & Lt.	6⅝	6¼
45¼	12¾	—	New York Central	13⅝	12⅝
25¼	9½	1.00	North American	11⅝	11¼
23½	12⅝	1.50	Pacific Gas & Electric	16¼	16⅜
37	19	2.40	Pacific Lighting	23	22⅜
6⅝	2⅝	—	Packard Motors	3⅞	3⅝
39½	17¼	1.00	Pennsylvania Railroad	18⅝	17¾
20⅜	13	1.00	Phillips Petroleum	15½	15⅝
45	20⅝	2.80	Public Serv. of N.J.	25	23⅝
9¼	4	—	Radio Corporation	4⅜	4⅜
62⅞	46¼	3.00	Reynolds Tobacco "B"	44	43¾
38⅞	17⅜	—	Schenley	24⅞	24⅞
51¼	31	—	Sears Roebuck	34½	34
19⅝	11	0.60	Socony-Vacuum	12⅝	12½
22¼	10½	1.50	Southern California Edison	12⅜	12½
33⅜	13	—	Sthrn. Pacific	14	13½
36½	7⅝	—	Sthrn. Railway	8⅝	8½
25¼	14⅜	1.00	Stand. Brands	14⅞	14⅝
17	1⅜	—	Standard Gas & Electric	2⅞	3
42⅞	26½	1.00	Stand. Oil of Cal.	29⅝	29
50¼	35⅝	1.25	Standard Oil Co. of N. J.	37⅝	37¼
66½	47¼	3.80	Sterling Products	61⅜	61¼
29⅜	16⅝	1.00	Texas Corporation	17⅝	17⅜
43¼	30	2.00	Texas Gulf Sulphur	31⅛	30½
8½	5	.12½	Transamerica	5	5
50⅞	35⅞	1.40	Union Carbide & Carbon	46	45⅞
133⅞	84½	6.00	Union Pacific	86	85⅝
15¼	8½	—	United Aircraft (New)	11⅛	11
6½	3¼	—	Un. Airline Trans.	5	5⅛
8⅜	1½	—	United Corporation	2	2⅛
24	9⅜	—	U. S. Rubber	10⅝	11½
59⅞	27⅞	—	U. S. Steel	29½	28⅝
21⅜	13⅜	—	Vanadium	14¼	14¼
8¼	2¼	—	Warner Bros. Pictures	2⅜	2⅝
47¼	27⅞	0.25	Westinghouse Elect.	35⅛	35

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